B3500-1A

ISSN 0015-2757

# ECONOMIC INDICATORS

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September October 1985

## Hawaiian Agriculture in 1984

Within the last 24 years, agriculture has steadily diminished as a major portion of Hawaii's economy. Between 1960 and 1984, agricultural jobs fell from 15 to 4 percent of total jobs, while export revenues to agriculture fell from 33 to 9 percent of total Hawaiian export income.

These shifts mask important underlying changes in the structure of agriculture. The most important is the growth of diversified agriculture, or those agricultural activities other than sugar and pineapple. Between 1960 and 1984, diversified agricultural jobs grew from 20 to 40 percent of all agricultural jobs, surpassing pineapple and equaling the sugar industry. In terms of revenues, diversified agriculture grew from 31 to 38 percent of total revenues during the same period, achieving its best year ever in 1984 with farm sales totalling $208 million. Crops with the strongest potential for development include macadamia nuts (see inside Feature Story), potted foliage plants, papayas, anthuriums, and vegetables and melons.

1984 statistics from the Hawaii Agricultural Reporting Service indicate that potted foliage plants had a record year. Crop sales grew by an impressive 30 percent in 1984 to $14 million; that was over an already large 23-percent gain in 1983. Strong growth pushed that sector into fourth place behind sugar, pineapple, and macadamia nuts in terms of sales value. Two reasons for the gains were the improving national economy and strong marketing programs.

Anthuriums also had an impressive year in 1984. Flower production jumped a healthy 14 percent, and the value of crop sales increased 22 percent to $7 million. The gain was stimulated by increased mainland sales. On the other hand, foreign sales were hampered by the high value of the U.S. dollar, and growing foreign competition.

Although comprised of a number of agricultural products, the vegetable and melon industry achieved a record production value of $28 million in 1984, up 3 percent from 1983. The increase was the result of gains in farm prices for most commodities, and gains in output for such crops as parsley, squash, taro, and watermelons.

In contrast, the papaya industry had a bad year, slipping from fourth to fifth place in terms of value of sales. Increases in production led to an oversupply of fruit, a drop in prices, and a 21-percent loss in revenues in 1984. The industry was also plagued by problems in finding a substitute for the fumigant ethylene dibromide (EDB), which was banned by the federal government in 1984. Because the alternative treatment, hot water dipping, resulted in hard and lumpy fruit, the process is now being modified. Meanwhile, alternative treatment methods being considered include the chemical methyl bromide, a steam heat process, and irradiation techniques.

The sugar and pineapple industries experienced mixed results in 1984. In spite of cost-saving cutbacks in employment and acreage, the sugar industry lost revenues because of lower sugar prices. Consequently, sugar companies suffered a $9.4 million pre-tax loss in 1984. The pineapple industry, however, had a much better year. As a result of cost-saving measures, the value of processed and fresh pineapple reached a record $249 million in 1984. Other factors included droughts in competing countries, and low inventories of canned pineapple on the mainland.

The long-term situation of the sugar and pineapple industries in Hawaii should follow past trends. Between 1960 and 1984, the share of total farm revenues received by sugar and pineapple stayed relatively strong, slipping slightly from 69 to 62 percent of total agricultural sales. However, cost-cutting measures led to a 55-percent decline in jobs and a 27-percent decrease in acreage under cultivation during the same period. Thus, to remain financially viable, these industries are progressively becoming a smaller part of the Hawaiian economy.

The expected declines in sugar and pineapple increases the importance of efforts to develop alternative crops. However, several factors put Hawaii at a disadvantage in terms of costs. The cost of land is crucial. According to the 1982 Census of Agriculture, the average farm value in Hawaii was $1,787, more than double the national average of $784. These costs have also been escalating rapidly. While the national average increased 133 percent between 1974 and 1982, Hawaii's average jumped 265 percent.

Lack of economies of scale present a second problem. Larger operations tend to have lower unit costs compared to smaller operations. Average cultivated acreage per farm in Hawaii dropped by 13 percent between 1974 and 1982 from 90 to 70 acres. This is less than half the acreage used per farm on the mainland. Other problems include the high costs of shipping and pest control.

The successes of macadamia nuts, anthuriums, and potted foliage plants prove that these obstacles are not insurmountable. But, strong public-sector support will be necessary to build a competitive world-class agricultural base. Identification and preservation of important agricultural lands, development of agricultural parks, low-cost farm loans, product marketing and promotional support are examples of past efforts to support agriculture. These programs will have to be expanded to further enhance the viability of Hawaiian agriculture and its potential to contribute to job creation in our state.

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SEPTEMBER/OCTOBER
FEATURE STORY:
MACADAMIA NUTS

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## CURRENT BUSINESS TRENDS

State business activity sagged in July as the economy continued to feel the after-effects of the May-June airline strike. Monthly July sales were down 12 percent from June, and down 7 percent from 1984 figures. Cumulative receipts for the year were sluggish, dipping 0.2 percent below last year. The resiliency of the tourism-related services sector was offset by weaknesses in areas such as diversified manufacturing and construction.

Tourism is on a slow road to recovery. The total number of visitors to Hawaii moved 4 percent higher in August to 461,580, reflecting a westbound visitor count of 354,780 combined with modest gains in the eastbound market, which was up to 106,800 visitors. For the year, the strike-crippled westbound visitor count has begun to edge over last year's figures by 0.2 percent, while the eastbound count remains up by 3.5 percent. This puts the total visitor traffic 0.9 percent ahead of 1984. Organized group tours and incentive travel, said to be the markets most damaged by the strike, improved from year-to-year deficits of 18 percent in May and 25 percent in June to a minus 4 percent in August. Job counts for hotels and other services were still static in July.

Among the Neighbor Islands, Kauai appears to be farthest along on the recovery track, with its August westbound visitor counts back to a 9 percent gain over last year. In contrast, the Big Island and Maui were still recording counts of −17 percent and 4 percent compared to 1984. July hotel occupancy rates show a similar pattern, with Kauai up 10 percent over 1984 while the Big Island occupancy rate was up by 5 percent and Maui still down by 7 percent.

Defense expenditures in Hawaii totalled $561 million for the quarter ending in June, up 16 percent on both a monthly and annual basis. The increase reflected a 39 percent leap in local purchases for the quarter, mostly as the

# u. s. economic indicators

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| GROSS NATIONAL PRODUCT** | | | | | |
| | bil. $ | 2nd Qtr. | 3,855 | 1.2 | 5.8 |
| | bil. $ | 2nd Qtr. | 1,672 | 0.5 | 2.0 |
| | bil. $ | July | 3,189p | 0.4 | 5.3 |
| INTEREST RATES | | | | | |
| | percent | August | 9.50 | 0.0 | −26.9 |
| CONSTRUCTION | | | | | |
| | bil. $ | June | 342.8p | 0.7 | 7.9 |
| | 1967 = 100 | May | 366.3 | 0.4' | 3.6 |
| | 1967 = 100 | May | 365.0 | 0.1' | 1.5 |
| EMPLOYMENT | | | | | |
| | thous. | July | 106,862 | 0.5 | 1.4 |
| | thous. | July | 8,451 | 0.5 | −0.5 |
| | percent | July | 7.3 | 0.0 | −2.7 |
| PRICES | | | | | |
| | 1967 = 100 | August | 319.6 | 0.2 | 3.0 |
| | 1967 = 100 | August | 323.5 | 0.2 | 3.4 |
| | 1967 = 100 | July | 294.4p | 0.3 | 0.9 |
| | 1967 = 100 | June | 309.5p | −0.1 | −0.6 |

# business activity in hawaii

| | | | | | |
|---|---|---|---|---|---|
| TOURISM | | | | | |
| | mil. $ | 1984 | 4,582p | ..... | 15.3 |
| | number | August | 461,580p | 3.7 | 3.4 |
| | number | Jan.-Aug. | 3,333,030p | ..... | 0.9 |
| | number | August | 354,780p | 2.0 | 4.2 |
| | number | Jan.-Aug. | 2,553,430p | ..... | 0.2 |
| | number | August | 106,800p | 9.7 | 0.9 |
| | number | Jan.-Aug. | 779,600p | ..... | 3.5 |
| | number | Jan.-Aug. | 107,500p | ..... | −2.6 |
| | no. of days | Jan.-Aug. | 10.2p | ..... | −3.8 |
| | number | Jan.-July | 148,010 | ..... | 4.4 |
| | number | Jan.-Aug. | 584,760p | ..... | −1.8 |
| | number | August | 271,140p | −4.0 | 1.6 |
| | number | Jan.-Aug. | 1,947,390p | ..... | −1.8 |
| | number | August | 170,780p | 3.3 | 4.2 |
| | number | Jan.-Aug. | 1,272,810p | ..... | −0.7 |
| | number | August | 62,980p | −0.9 | −1.1 |
| | number | Jan.-Aug. | 477,920p | ..... | −8.8 |
| | number | August | 79,570p | 4.5 | 9.1 |
| | number | Jan.-Aug. | 568,510p | ..... | 3.1 |
| | number | February | 65,919 | 2.1* | 5.6 |
| | number | February | 38,600 | 0.6* | 4.8 |
| | number | February | 33,879 | 0.7* | 5.1 |
| | number | February | 13,515 | 4.3* | 8.1 |
| | number | February | 627 | −0.9* | 0.0 |
| | number | February | 10 | 100.0* | −16.7 |
| | number | February | 7,511 | 8.2* | 5.1 |
| | number | February | 5,656 | −0.7* | 6.5 |
| | percent | July | 75.9p | 15.0 | 2.4 |
| | | Jan.-July | 78.1p | ..... | −0.6 |
| | percent | July | 84.8p | 12.2 | 4.7 |
| | | Jan.-July | 83.4p | ..... | −1.7 |
| | percent | July | 72.2p | 12.3 | −7.0 |
| | | Jan.-July | 80.7p | ..... | −3.4 |
| | percent | July | 53.8p | 38.3 | 4.9 |
| | | Jan.-July | 59.0p | ..... | 6.1 |
| | percent | July | 63.5p | 23.5 | 9.9 |
| | | Jan.-July | 67.7p | ..... | 5.6 |

p = preliminary  Estimated Westbound  *Compared to October 1984

# business activity in hawaii [cont.]

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **DEFENSE EXPENDITURES** | | | | | |
| | mil. $ | Yr. to 2nd Qtr. | 1,045.9 | | 8.2 |
| | mil. $ | Yr. to 2nd Qtr. | 433.1 | | 4.5 |
| | mil. $ | Yr. to 2nd Qtr. | 309.8 | | 4.1 |
| | mil. $ | Yr. to 2nd Qtr. | 302.9 | | 18.9 |
| **SUGAR** | | | | | |
| | thous. $ | 1984 | 256,200 | | 4.0 |
| | thous. tons | Jan.-July | 566.6 | | 12.7 |
| | $/ton | Jan.-July | 418.80 | | 4.4 |
| **PINEAPPLE** | | | | | |
| | thous. $ | 1984 | 89,928 | | 10.4 |
| | thous. $ | Jan.-July | 72,437 | | 39.0 |
| | thous. lbs. | Jan.-July | 152,330 | | 0.8 |
| **DIVERSIFIED AGRICULTURE** | | | | | |
| | thous. $ | 1984 | 120,756 | | 5.3 |
| | thous. $ | 1984 | 62,905 | | 18.6 |
| | th. dozens | Jan.-July | 810.4 | | 16.4 |
| | thous. $ | 1984 | 14,080 | | 29.7 |
| | thous. $ | 1984 | 39,749 | | 3.2 |
| | th. lbs. | Jan.-July | 29,339 | | 25.8 |
| | cents/lb. | July | 18.0 | 25.0 | 41.7 |
| | th. lbs. | 1984 | 27,700 | | 3.5 |
| | cents/lb. | 1984 | 69.2 | | 5.9 |
| | th. lbs. | Jan.-July | 40,737 | | 1.5 |
| | thous. $ | 1984 | 87,025 | | 0.6 |
| | th. lbs. | Jan.-July | 19,838 | | 7.2 |
| | cents/lb. | July | 83.0 | 5.7 | 11.7 |
| | th. lbs. | Jan.-July | 3,557 | | 0.7 |
| | cents/lb. | July | 103.0 | 2.4 | 1.4 |
| | mil. lbs. | Jan.-July | 84.3 | | 6.3 |
| | $/100 lbs. | July | 20.06 | 5.3 | 3.3 |
| | mil. | Jan.-July | 126.9 | | 2.2 |
| | cents/doz. | July | 74.0 | 5.7 | 17.3 |
| **CONSTRUCTION** | | | | | |
| | mil. $ | Jan.-July | 732.5 | | 10.0 |
| **PRIVATE PERMITS AUTHORIZED** | | | | | |
| STATE | | | | | |
| | thous. $ | Jan.-Feb. | 79,382 | | 28.7 |
| | number | Jan.-Feb. | 499 | | 34.5 |
| | number | Jan.-Feb. | 389 | | 1,668.2 |
| | thous. $ | Jan.-Feb. | 36,951 | | 16.0 |
| OAHU | | | | | |
| | thous. $ | Jan.-July | 173,929 | | 26.6 |
| | number | Jan.-July | 1,210 | | 11.8 |
| | number | Jan.-July | 1,310 | | 170.7 |
| | thous. $ | Jan.-July | 88,334 | | 2.6 |
| MAUI CO. | | | | | |
| | thous. $ | Jan.-Feb. | 7,028 | | 14.0 |
| | number | Jan.-Feb. | 80 | | 30.4 |
| | number | Jan.-Feb. | 11 | | 100.0 |
| | thous. $ | Jan.-Feb. | 2,849 | | 38.0 |
| HAWAII | | | | | |
| | thous. $ | Jan.-July | 55,197 | | 75.2 |
| | number | Jan.-July | 562 | | 1.6 |
| | number | Jan.-July | 138 | | 142.1 |
| | thous. $ | Jan.-July | 23,261 | | 18.9 |
| KAUAI | | | | | |
| | thous. $ | Jan.-July | 26,021 | | 3.6 |
| | number | Jan.-July | 216 | | 6.4 |
| | number | Jan.-July | 51 | | 30.8 |
| | thous. $ | Jan.-July | 9,954 | | 12.0 |

*Gross taxable income valued at time of shipment.
•From Hawaii County.
•Includes snap beans, cabbage, celery, sweet corn, cucumbers, lettuce, onions, green peppers, tomatoes, and watermelons.

result of an 80 percent surge in Army expenditures for such items as transportation for end-of-duty personnel, new computer systems, and costs associated with catch-up work due to the construction strikes earlier this year.

As sugar prices continued to slip, sugar production through July recorded another month of decline, placing the year's total down 13 percent from 1984 levels. Pineapple also experienced setbacks, with canned pineapple sales value for the year still down by 39 percent and fresh shipments of 152 million pounds through July virtually unchanged from last year.

Other crops also show scaled-back operations. Anthurium outshipments continue to be plagued by lower sales despite a July boost in shipments to Japan. This year's papaya sales volume through July of 29 million pounds, about 40 percent of which represents mainland shipments, has returned to normal after 1984's glutted market. Vegetable and melon production is recovering from a small spring harvest in celery, head lettuce, cucumbers, dry onions, and other crops. Overall job counts in diversified agriculture recorded its tenth consecutive month of decline from the previous year, mostly thinning the ranks of self-employed farmers.

June's construction put-in-place of $128 million recorded its first year-to-year gain in 12 months, evidence of the industry's slow return to pre-construction strike levels. Employment recovery has been considerably stronger. July's tally of 18,800 jobs was nearly 10 percent above last year, continuing a growth trend that began in February. Permit values for multi-family buildings continue to soar on Oahu and the Big Island, primarily due to permits issued in February and March for the 638-unit Tower II rental high-rise project in downtown Honolulu and the Mauna Lani Resort's condominium projects in South Kohala.

Lowered interest rates, reduced prices, and the seasonal summer sales flurry have sparked housing resales. Statewide, resales of single family units were 12 percent higher through July, while condominium resales were 16 percent higher. Prices continued to be depressed with single family units averaging $167,000 and condominiums at $105,000. Among the islands, Oahu led in single family unit resales at 1,061 units through July, up 14 percent, while Kauai led in condo resales at 48 units, which already exceeds its total condo resales for all of 1984.

Total personal income for the first quarter rose to $13.8 billion, up 7.4 per-

cent over the year. This represents a significant increase for Hawaii residents, well above the rise in inflation over the same period. Interestingly, a gain of 6.5 percent in employment income was dwarfed by a 12 percent leap in income from property, suggesting growing investment holdings by island residents.

## MACADAMIA NUTS

The macadamia nut industry has emerged as a promising candidate in Hawaii's attempt to diversify its economic and agricultural base. For several years, macadamia nuts have consistently ranked third among agricultural commodities in terms of farm value, exceeded only by sugar and pineapple.

Hawaii is currently the center of world macadamia nut production. The reason is its mature orchards, compared to the newer plantings of other countries such as Australia, South Africa, Costa Rica and Brazil. The local industry is maturing, as it continues to grow in size, market, and sophistication of production methods. Table 1 presents data on this upward trend.

TABLE 1: MACADAMIA NUTS
STATE OF HAWAII, 1974-1984

| YEAR | NUMBER OF FARMS | ACREAGE | | MRKTNG (IN SHELL) |
|---|---|---|---|---|
| | | IN CROP | BEARING | |
| | | (thousands) | | (mil lbs.) |
| 1974 | 400 | 9.9 | 5.1 | 16.4 |
| 1975 | 444 | 10.4 | 5.8 | 18.2 |
| 1976 | 455 | 10.2 | 6.1 | 19.0 |
| 1977 | 456 | 9.9 | 6.3 | 19.7 |
| 1978 | 464 | 10.2 | 6.3 | 21.0 |
| 1979 | 465 | 11.4 | 9.2 | 26.7 |
| 1980 | 475 | 13.3 | 9.6 | 33.4 |
| 1981 | 490 | 13.8 | 10.0 | 33.4 |
| 1982 | 550 | 15.0 | 10.2 | 30.7 |
| 1983 | 600 | 15.8 | 10.6 | 36.4 |
| 1984 | 605 | 16.9 | 12.0 | 37.7 |

Source: Hawaii Agricultural Reporting Service

Over the past decade, the number of macadamia nut farms increased 51 percent, the number of acres planted increased 71 percent, and the number of acres of commercial quality trees increased 136 percent. Because of these increases, total macadamia nut output (on an in-shell basis) jumped an impressive 130 percent, from 16 million pounds in 1974 to 38 million pounds in 1984.

This dramatic growth, however, has slowed in recent years. While 1984 production increased to a record 38 million pounds, this represented a modest 4 percent over-the-year gain, well below the 13 percent annual average experienced over the past decade. Drought

# *business activity in hawaii [cont.]*

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| PUBLIC CONTRACTS AWARDED | | | | | |
| [illegible] | thous. $ | Jan.-Aug. | 149,750 | ..... | −36.0 |
| [illegible] | thous. $ | Jan.-Aug. | 96,001 | ..... | −42.5 |
| [illegible] | thous. $ | Jan.-Aug. | 30,145 | ..... | 78.0 |
| [illegible] | thous. $ | Jan.-Aug. | 10,884 | ..... | −31.7 |
| [illegible] | thous. $ | Jan.-Aug. | 12,724 | ..... | −62.8 |
| [illegible] | thous. $ | Jan.-Aug. | 26,586 | ..... | −42.7 |
| [illegible] | thous. $ | Jan.-Aug. | 58,541 | ..... | −59.2 |
| [illegible] | thous. $ | Jan.-Aug. | 64,623 | ..... | 46.8 |
| HONOLULU CONSTRUCTION COST INDEXES | | | | | |
| [illegible] | 1967 = 100 | Aug. | 357.6 | 0.1 | 2.6 |
| [illegible] | 1967 = 100 | Aug. | 373.4 | 0.1 | 1.6 |
| REAL ESTATE RESALES | | | | | |
| [illegible] | number | Jan.-July | 1,441 | ..... | 11.9 |
| [illegible] | dollars | Jan.-July | 166,651 | ..... | −3.1 |
| [illegible] | number | Jan.-July | 1,892 | ..... | 16.4 |
| [illegible] | dollars | Jan.-July | 104,327 | ..... | −3.5 |
| [illegible] | number | Jan.-July | 1,061 | ..... | 13.5 |
| [illegible] | dollars | Jan.-July | 182,746 | ..... | −3.7 |
| [illegible] | number | Jan.-July | 1,538 | ..... | 20.3 |
| [illegible] | dollars | Jan.-July | 100,243 | ..... | −1.6 |
| [illegible] | number | Jan.-July | 138 | ..... | 12.2 |
| [illegible] | dollars | Jan.-July | 150,524 | ..... | −12.0 |
| [illegible] | number | Jan.-July | 249 | ..... | −1.2 |
| [illegible] | dollars | Jan.-July | 128,238 | ..... | −9.6 |
| [illegible] | number | Jan.-July | 205 | ..... | 10.2 |
| [illegible] | dollars | Jan.-July | 98,360 | ..... | 10.4 |
| [illegible] | number | Jan.-July | 57 | ..... | −14.9 |
| [illegible] | dollars | Jan.-July | 96,498 | ..... | 7.7 |
| [illegible] | number | Jan.-July | 37 | ..... | −15.9 |
| [illegible] | dollars | Jan.-July | 143,633 | ..... | −2.3 |
| [illegible] | number | Jan.-July | 48 | ..... | 77.8 |
| [illegible] | dollars | Jan.-July | 120,427 | ..... | −8.7 |
| BUSINESS SALES | | | | | |
| [illegible] | mil. $ | Jan.-July | 14,399.1 | ..... | −0.2 |
| [illegible] | mil. $ | Jan.-July | 304.7 | ..... | −8.0 |
| [illegible] | mil. $ | Jan.-July | 155.3 | ..... | 4.2 |
| [illegible] | mil. $ | Jan.-July | 5,194.0 | ..... | 2.2 |
| [illegible] | mil. $ | Jan.-July | 3,625.8 | ..... | −2.0 |
| [illegible] | mil. $ | Jan.-July | 3,491.3 | ..... | 4.9 |
| [illegible] | number | Jan.-July | 24,239p | ..... | −3.6 |
| PUBLIC UTILITIES | | | | | |
| [illegible] | mil. kwh | Jan.-July | 4,006 | ..... | −1.4 |
| [illegible] | th. therms | Jan.-July | 28,889 | ..... | 0.6 |
| [illegible] | thous. | July | 459.1 | .0 | 1.3 |
| HONOLULU PRICES | | | | | |
| [illegible] | 1967 = 100 | August | 301.3 | 0.2 | 2.6 |
| [illegible] | 1967 = 100 | August | 294.2 | 0.1 | 2.9 |

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# *population and income in hawaii*

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **POPULATION** | | | | | |
| STATE | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 1,141.2p | ..... | 2.4 |
| Total Resident Population | thous. | July 1, 1984 | 1,038.7p | ..... | 2.0 |
| OAHU | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 859.3p | ..... | 1.5 |
| Total Resident Population | thous. | July 1, 1984 | 805.3p | ..... | 1.6 |
| MAUI COUNTY* | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 114.8p | ..... | 10.6 |
| Total Resident Population | thous. | July 1, 1984 | 83.1p | ..... | 4.0 |
| HAWAII | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 112.6p | ..... | 1.8 |
| Total Resident Population | thous. | July 1, 1984 | 106.4p | ..... | 3.4 |
| KAUAI | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 54.4p | ..... | 7.3 |
| Total Resident Population | thous. | July 1, 1984 | 44.0p | ..... | 2.1 |
| CIVILIAN RESIDENT WORK FORCE | | | | | |
| STATE | thous. | July 1, 1984 | 981.4p | ..... | 1.9 |
| MILITARY PERSONNEL | | | | | |
| STATE | number | July 1, 1984 | 60,804 | ..... | 3.0 |
| Active | number | July 1, 1984 | 56,321 | ..... | 4.8 |
| Afloat | number | July 1, 1984 | 4,483 | ..... | −14.9 |
| CIVILIAN MILITARY DEPENDENTS | number | July 1, 1984 | 67,083 | ..... | 1.3 |
| FOREIGN IMMIGRANTS** | number | Jan.–July | 3,275 | ..... | 10.2 |
| **INCOME** | | | | | |
| TOTAL PERSONAL INCOME*** | mil. $ | 1st Qtr. | 13,813p | 2.1 | 7.4 |
| EMPLOYMENT INCOME | mil. $ | 1st Qtr. | 9,971p | 2.8 | 6.5 |
| Manufacturing | mil. $ | 1st Qtr. | 455p | −1.7 | 0.7 |
| Construction & Mining | mil. $ | 1st Qtr. | 479p | 23.8 | −8.6 |
| Wholesale | mil. $ | 1st Qtr. | 409p | 0.5 | 6.0 |
| Retail | mil. $ | 1st Qtr. | 1,106p | 0.9 | 6.1 |
| Finance, Ins., & Real Estate | mil. $ | 1st Qtr. | 660p | 1.5 | 3.8 |
| Trans., Comm., & Util. | mil. $ | 1st Qtr. | 908p | 1.9 | 11.5 |
| Services | mil. $ | 1st Qtr. | 2,234p | 1.4 | 8.7 |
| Farm & Other | mil. $ | 1st Qtr. | 305p | 0.3 | 11.3 |
| Federal Civilian | mil. $ | 1st Qtr. | 900p | 2.9 | 4.8 |
| Federal Military | mil. $ | 1st Qtr. | 1,336p | 4.7 | 7.1 |
| State & Local | mil. $ | 1st Qtr. | 1,178p | 2.5 | 9.9 |
| PROPERTY INCOME | | | | | |
| (Dividends, Interest, & Rent) | mil. $ | 1st Qtr. | 2,691p | 0.5 | 11.9 |
| TRANSFER PAYMENTS | | | | | |
| (1,839 items Personal Contributions for Social Insurance (NEC)) | mil. $ | 1st Qtr. | 1,152p | −0.5 | 4.9 |
| PER CAPITA PERSONAL INCOME | | | | | |
| STATE | dollars | 1983 | 12,115p | ..... | 4.5 |
| Oahu | dollars | 1983 | 12,697p | ..... | 4.9 |
| Maui County | dollars | 1983 | 10,963p | ..... | 3.4 |
| Hawaii | dollars | 1983 | 9,396p | ..... | 3.1 |
| Kauai | dollars | 1983 | 9,867p | ..... | 2.7 |

**Total personal income and all components are seasonally adjusted at annual rates.
Includes only those entering from foreign countries and does not include status changes.
*Includes wage and salary disbursements, proprietors' income and other labor income.
p = preliminary.

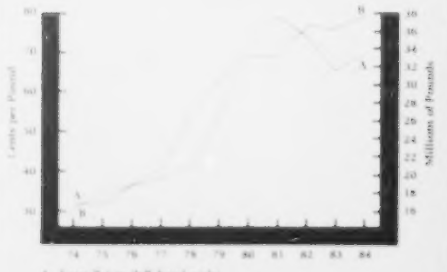
conditions were partially responsible for holding down production, while the large number of young trees just coming into bearing age also contributed to the lower yield.

In spite of the production plateau of the last few years, however, the upward trend is expected to continue over the next decade, based on seedlings already in the ground. Thousands of acres of macadamia nut trees have not come into full production yet. Between 1978 and 1980, 3,100 acres of seedlings were planted. Given that it takes five years for seedlings to reach commercial production age, and another five years to reach full bearing potential, the 1978-1980 plantings are now beginning to produce quality crops, and should peak around 1988-1990, substantially raising production levels. Similarly, between 1981 and 1984, 3,100 acres were planted; these will create another production surge approximately ten years down the road.

In addition, planned plantings suggest that the expansion will continue. Alexander & Baldwin, Inc., Hawaiian Holiday Macadamia Nut Co., and Mauna Loa Macadamia Nut Corp. all have made major commitments to develop or expand their macadamia nut business.

However, some problems have developed because of enthusiastic expansion in the past (see Figure 1). Producers concentrated on developing output, and neglected the equally important area of marketing. As plantings and production shot up, harvests increased dramatically. The industry realized huge gains, especially between 1978 and 1980. However, the local market became saturated. As a result, production increased to the point of oversupply and prices fell. The farm price dropped from 79.3 cents per pound in 1981 to 65.7 cents a pound in 1983.

FIGURE 1
MACADAMIA NUTS
FARM PRICES AND MARKETINGS
1974-1984




A. Farm Prices (left-hand scale)
B. Marketings in shell (right-hand scale)
Source: Hawaii Agricultural Reporting Service



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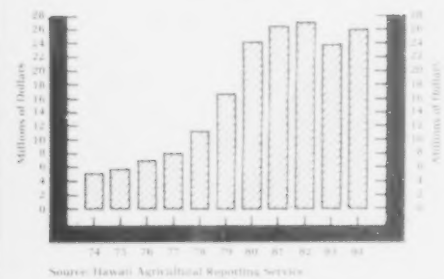
Thus, without a strong program of market expansion, the industry moved into a classic situation of product surplus and price deflation. Realizing the problem, major retailers started aggressive marketing campaigns, both locally and on the mainland. As a result, after three years of oversupply and depressed prices, the macadamia nut industry was able to turn itself around. Surpluses were sold, and prices again moved upward. Farm prices increased in 1984 by 5 percent, from 65.7 cents per pound in 1983 to 69.2 cents per pound in 1984. Though still way below 1979's banner price of 79.3 cents per pound, the improved market conditions definitely helped the revenue picture.

Because of the drop in farm prices, the value of sales during 1983 fell by 12 percent from $27.1 million in 1982 to $23.9 million in 1983. This was the first drop in eleven seasons. However, as prices increased, the value of sales inched out of the 1983 slump, and crop revenues improved by nine percent, going from $23.9 million in 1983 to $26.1 million in 1984 (see Figure 2).

FIGURE 2
MACADAMIA NUTS
VALUE OF SALES
1974-1984




Source: Hawaii Agricultural Reporting Service

Even with the plateau in crop value seen over the last five years, industry revenues have shown a fivefold gain since 1974.

While improving the revenue situation, a macadamia nut shortage also has hazards. If prices increase too quickly, macadamia nuts could be priced out of some markets. Manufacturers, not being able to get an adequate and reliable supply, might also discontinue the product.

The short-term economic picture for macadamia nuts looks good. The glut is over, both production and prices have improved, and further expansion is planned. In part, the optimistic outlook is due to the fact that the major producers are large corporations such as C. Brewer, Inc., Alexander & Baldwin, and Mac Farms. They have the necessary capital and technical expertise needed

# *employment and jobs in hawaii*

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| EMPLOYMENT | | | | | |
| | thous. | July | 487.1p | −0.1 | 1.8 |
| | thous. | July | 459.9p | 0 | 1.7 |
| | thous. | July | 27.2p | −2.9 | 3.0 |
| | percent | July | 5.6p | −1.8 | 1.8 |
| | thous. | July | 369.1p | −0.2 | 1.7 |
| | thous. | July | 350.8p | .0 | 1.9 |
| | thous. | July | 18.4p | −2.6 | −1.1 |
| | percent | July | 5.0p | −2.0 | −2.0 |
| | thous. | July | 46.3p | 0.0 | 1.8 |
| | thous. | July | 43.7p | 0.2 | 2.1 |
| | thous. | July | 2.7p | 0.0 | 0.0 |
| | percent | July | 5.7p | −1.7 | −1.7 |
| | thous. | July | 49.4p | 0.6 | 3.1 |
| | thous. | July | 44.7p | 0.9 | 1.1 |
| | thous. | July | 4.7p | −4.1 | 27.0 |
| | percent | July | 9.5p | −3.1 | 23.4 |
| | thous. | July | 22.4p | −0.4 | 0.9 |
| | thous. | July | 20.9p | 0.0 | 1.0 |
| | thous. | July | 1.5p | −11.8 | 0.0 |
| | percent | July | 6.6p | −8.3 | −4.3 |
| JOB COUNT BY INDUSTRY | | | | | |
| | thous. | July | 462.7p | 0.5 | 0.5 |
| | thous. | July | 7.7p | 1.3 | −7.2 |
| | thous. | July | 5.4p | 1.9 | −14.3 |
| | thous. | July | 15.8p | 0.0 | −4.2 |
| | thous. | July | 3.2p | 0.0 | −5.9 |
| | thous. | July | 12.6p | −0.8 | −3.8 |
| | thous. | July | 3.1p | 3.3 | 0.0 |
| | thous. | July | 7.6p | 1.3 | −13.6 |
| | thous. | July | 18.8p | 1.1 | 9.3 |
| | thous. | July | 22.6p | 0.4 | 2.3 |
| | thous. | July | 7.4p | 0.0 | −2.6 |
| | thous. | July | 2.5p | 0.0 | 4.2 |
| | thous. | July | 94.7p | 0.6 | 2.6 |
| | thous. | July | 19.3p | 0.5 | 0.5 |
| | thous. | July | 32.3p | 0.6 | 0.9 |
| | thous. | July | 28.5p | 1.1 | 0.0 |
| | thous. | July | 16.1p | 2.5 | 0.6 |
| | thous. | July | 6.5p | 0.0 | 0.0 |
| | thous. | July | 3.8p | 0.0 | 2.7 |
| | thous. | July | 2.2p | 0.0 | −4.3 |
| | thous. | July | 80.3p | −0.7 | −0.6 |
| | thous. | July | 32.8p | 0.3 | 2.8 |
| | thous. | July | 11.8p | 0.9 | 4.4 |
| | thous. | July | 21.1p | 0.5 | 1.9 |
| | thous. | July | 44.1p | −7.0 | 1.8 |
| | thous. | July | 16.4p | 29.1 | 5.1 |
| | thous. | July | 26.9p | 1.9 | −3.6 |
| UNEMPLOYMENT INSURANCE | | | | | |
| | number | July | 11,385 | 16.4 | −6.8 |
| | number | Jan.–July | 42,430 | .... | 1.2 |
| | number | Jan.–July | 2,192 | .... | −7.5 |
| | thous. $ | Jan.–July | 41,228 | .... | −3.9 |

p = preliminary

# public assistance in hawaii

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **PUBLIC ASSISTANCE** | | | | | |
| INCOME MAINTENANCE | | | | | |
| Recipients | no./persons | July | 58,266 | −0.6 | −4.4 |
| Payments | thous. $ | Jan.-July | 57,354 | — | −4.6 |
| MEDICAL ASSISTANCE | | | | | |
| Recipients | no./patients | July | 42,280 | −10.5 | −8.8 |
| Payments | thous. $ | Jan.-July | 101,159 | — | 9.0 |
| FOOD STAMPS | | | | | |
| Recipients | no./persons | June | 95,700 | −1.6 | −3.3 |
| Payments | thous. $ | Jan.-June | 46,354 | — | 16.6 |
| FOOD[1] | | | | | |
| Recipients | no./cases | 2nd Qtr. | 7,790 | 12.5 | 10.8 |
| Payments | thous. $ | 2nd Qtr. | 7,431 | — | 11.5 |

[1]Count of recipients is duplicated if person participates in each category.

# banking and finance in hawaii

| | | | | | |
|---|---|---|---|---|---|
| **FINANCE** | | | | | |
| COMMERCIAL BANK DEPOSITS | | | | | |
| STATE | | | | | |
| Total Deposits | mil. $ | July | 7,242.9 | 4.5 | 14.0 |
| Demand Deposits | mil. $ | Jan.-July | 54,251.4 | — | 1.7 |
| OAHU | | | | | |
| Total Deposits | mil. $ | July | 6,030.9 | 4.7 | 14.6 |
| Demand Deposits | mil. $ | Jan.-July | 49,260.0 | — | 0.8 |
| MAUI COUNTY | | | | | |
| Total Deposits | mil. $ | July | 447.6 | 0.7 | 9.9 |
| Demand Deposits | mil. $ | Jan.-July | 2,144.1 | — | 11.6 |
| HAWAII | | | | | |
| Total Deposits | mil. $ | July | 520.9 | 7.0 | 14.0 |
| Demand Deposits | mil. $ | Jan.-July | 2,038.2 | — | 10.8 |
| KAUAI | | | | | |
| Total Deposits | mil. $ | July | 243.5 | 0.4 | 7.1 |
| Demand Deposits | mil. $ | Jan.-July | 809.7 | — | 10.9 |
| BANK LOANS OUTSTANDING | mil. $ | 1st Qtr. | 4,403.6 | 3.4 | 9.6 |
| Real Estate | mil. $ | 1st Qtr. | 1,763.4 | 4.2 | 6.1 |
| Consumer | mil. $ | 1st Qtr. | 981.9 | −0.5 | 8.9 |
| Commercial & Industrial | mil. $ | 1st Qtr. | 1,321.9 | 3.7 | 18.9 |
| Other | mil. $ | 1st Qtr. | 336.4 | 10.2 | −1.7 |
| CONVENTIONAL HOME MORTGAGE | | | | | |
| RATES, NEGOTIATED | percent | June | 12.2 | −5.4 | NA |
| SAVINGS & LOAN ASSOCIATIONS | | | | | |
| TOTAL DEPOSITS | mil. $ | June | 3,626.7 | 0.2 | −4.7 |
| LOANS | mil. $ | June | 48.2 | −30.3 | −5.3 |
| Residential | mil. $ | June | 27.2 | −38.9 | −5.6 |
| Other | mil. $ | June | 21.1 | −14.6 | −4.5 |
| TAX COLLECTIONS[2] | | | | | |
| STATE | thous. $ | Jan.-July | 854,091 | — | 6.3 |
| Oahu | thous. $ | Jan.-July | 739,622 | — | 5.1 |
| Maui County | thous. $ | Jan.-July | 49,984 | — | 17.0 |
| Hawaii | thous. $ | Jan.-July | 46,418 | — | 11.5 |
| Kauai | thous. $ | Jan.-July | 18,064 | — | 16.8 |

[1]Includes data for both Hawaii and Guam.
[2]Taxes collected by the State Department of Taxation. Excludes property taxes which were formerly collected by the State but are now collected by the Counties.

for improved production, market development, and distribution.

The long-run economic picture for macadamia nuts also looks promising. Using the pistachio, almond, and cashew markets as a yardstick, University of Hawaii agricultural economist Frank Scott estimated that in 1983, the market potential for the United States was 29 million pounds, and outside of the United States, an additional 24 million pounds of shelled macadamia nuts. Hawaii's actual production in 1983 was 9 million pounds, well below the potential. Scott also estimated that by the year 2000, the market could expand up to 43 million pounds for the United States, and 28 million pounds outside of the United States.

Two notes of caution are necessary when looking at future markets. First, these estimates represent rough approximations, and second, they would require extensive market development, and huge advertising costs to develop the markets to their full potential.

Production of macadamia nuts in other countries is expected to grow in the near future. At this time, foreign production is beneficial to Hawaii's macadamia nut industry. Since a constant and reliable supply is needed, foreign crops make up for periods of shortage. During 1984, 455 metric tons of macadamia nuts were imported. However, in the long run, these foreign countries may become Hawaii's competitors rather than Hawaii's suppliers.

Most of these countries do not keep reliable statistical information on agriculture. However, the general feeling of industry leaders is that currently Hawaii represents 75 percent of world macadamia nut production. In ten years this is expected to drop to 50 percent. World production is expected to double in the next five years, and triple in the next ten years, going from 12 million pounds in 1984 to 36 million pounds in 1994. Hawaii's production is expected to double in that same period, going from 9 million pounds in 1984 to 18 million pounds in 1994.

Whether 36 million pounds represents a surplus or a shortage largely depends upon market development. The industry has proven itself capable of addressing the problem by reversing the past surplus situation through extensive marketing efforts.

The macadamia nut industry has great potential for growth. But there are also serious problems to overcome, such as market development and cost control. The degree to which producers efficiently deal with these factors will determine the degree of their success in the future.

# ECONOMIC INDICATORS

A Bimonthly Report on Current Economic Conditions in Hawaii
by the Research Department, First Hawaiian Bank

**September/October 1985**

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# ECONOMIC INDICATORS

ISSN 0015-2757

Research Department, First Hawaiian Bank November/December 1985

## Outlook for the Hawaiian Economy in 1986

After a record growth year in 1984, the Hawaiian economy is marking time in 1985 because of the slowdown in the national economy, the one-month long United Airlines strike and the record strength of the dollar. Strikes and lockouts in the construction industry, which affected carpenters, concrete, electrical, and iron workers and lasted well into 1985 also slowed the economy. However, the fact that the economy is managing to stay roughly even with the phenomenal growth rates of 1984 indicates the basic strength of the economy. If conditions improve as expected in the national economy in 1986, and, given the absence of major labor disruptions, overall prospects for Hawaii's economy can be expected to improve in 1986.

Business activity in general remained relatively stable through September of 1985. Growth in total personal income stayed strong through the second quarter, while inflation remained low. In the meantime, the total number of jobs in the economy remained stable, with the strongest growth in the construction industry and tourist-related industries such as retail trade, transportation, and services.

The visitor industry continued to remain resilient in 1985 in spite of the inroads of the United Airlines strike and the record-high strength of the U.S. dollar. As of September, 1985, total overnight and longer visitors were roughly equal to 1984, compared to an 11 percent increase experienced in 1984. Growth in westbound visitors was static compared to 9 percent the previous year, and eastbound visitors were ahead by 3 percent compared to 18 percent the previous year. Thus, the strong dollar appears to have had as drastic an effect on the eastbound market as the United Airlines strike had on the westbound market. Depending on the strength of the winter season, net visitor counts for the year will most likely remain flat.

Prospects for 1986 look optimistic. Continued economic expansion at the national level will mean more discretionary income for travelers. The ongoing decline in the U.S. dollar should stimulate international travel to Hawaii, particularly from Japan. Problems in major competing areas, such as in Mexico, will increase the desirability of Hawaiian vacations, while organized promotional campaigns on the Neighbor Islands will widen their appeal at the national level. Additions by national and local carriers of new flights from the mainland to Honolulu and the Neighbor Islands will increase carrying capacity to the islands, and fare reductions have been announced for 1986 by most major carriers. Thus, given the absence of labor disruptions, the prospects for growth in visitor counts in 1986 are good and can be expected to range between 3 to 5 percent for the year.

Defense expenditures saw strong growth through the second quarter of 1985 due to increases in local goods-and-service purchases. Much of the increase was attributable to catch-up construction delayed by the construction strike, and the installation of a large computer network system for the Army. Prospects for 1986 will most likely entail a reduction in local purchases as construction appropriations return to normal. Growth in overall expenditures can, therefore, be expected to range between 4 to 6 percent for the year.

The construction industry is continuing its recovery from the 1984 strike. 1985 should end up around 5 percent ahead of 1984. This is reinforced by the fact that construction jobs are currently up a strong 8 percent. Prospects for 1986 look good. As of September 1985, the value of private permits authorized was 62 percent ahead of 1984 due to a sharp upswing in multi-family unit construction, particularly condominiums and hotels. Commercial and industrial permits were also ahead by 22 percent as of September, further reinforcing the optimistic outlook for construction in 1986. If interest rates remain stable, growth in construction should be substantial.

The sugar industry has been experiencing difficulties in 1985. Sugar production levels are running 10 percent behind 1984, while expanded national sugar quotas have resulted in a 6-percent drop in the New York raw sugar price. Thus, prospects for 1985 do not look good. Continuing high sugar import quotas and market gains by high fructose corn syrup, could lower returns to the industry in 1986 as well.

The pineapple industry experienced a 43-percent reduction in the cumulative value of canned pineapple sold through August of 1985. The reason for the decline was the closing of the Del Monte plant in 1984 and reduced production volume due to the drought of 1984. Fresh pineapple shipments, however, held steady on a cumulative basis. Prospects for 1986 will depend on weather conditions in major competing countries, inventory levels of major buyers, and competition with other fruits.

In conclusion, although it is clear that 1985 would have been a good year if it had not been for the United Airlines and the construction industry strikes, 1986 promises to be better. Continuing national economic expansion, a fall in the value of the dollar, and moderation in interest rates could signal healthy advances in tourism and interest-rate sensitive sectors such as real estate and construction. If defense expenditures show positive growth, and the agricultural sector improves, then the overall economy should see positive gains in output, income, and employment in 1986.

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**NOVEMBER/DECEMBER FEATURE STORY: HAWAII'S RETAIL INDUSTRY**

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## CURRENT BUSINESS TRENDS

Gross business receipts surged ahead 19 percent in September, putting the year's cumulative sales at $18 billion, up 1.7 percent from 1984. Considering that the economy was set back severely earlier this year, even a modest eclipse of last year's banner sales performance is impressive. Even better was the achievement of two Neighbor Islands. Through September, Maui's business receipts were up 5 percent, Kauai by 8 percent. The Big Island, however, has been slow to recover and remains behind last year's sales pace.

Signs of the general upturn also showed up in banking statistics. Monthly bank deposits through September have been averaging 10 percent above the same period last year. Debits to demand deposits show an interesting pattern. Statewide and Oahu debits through September showed just marginal gains, but the Neighbor Islands displayed substantial increases: Maui, up 10 percent; the Big Island, up 10 percent; and Kauai, up 12 percent. These figures indicate improved business and heightened spending on the Neighbor Islands.

Spending growth on the Neighbor Islands is also apparent in the tax data. While state tax collections through September were up 7 percent statewide and 6 percent on Oahu, Maui's collections were up 14 percent, the Big Island up 11 percent, and Kauai up 21 percent.

September employment data revealed a 7-percent drop in the unemployment rate, down to 5.5 percent, the lowest September figure in five years. Most of this improvement occurred on Oahu, where an even larger drop in the unemployment rate put the figure at 4.9 percent, the lowest since 1969.

Job counts showed seasonal slippage in September, down to 454,500 jobs, but still 2 percent ahead of 1984. Averaged through the first nine months of the year, however, the year's gain is halved to one percent due to this year's rela-



# u. s. economic indicators

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **GROSS NATIONAL PRODUCT**** | | | | | |
| In Current Dollars | bil. $ | 2nd Qtr. | 3,916 | 1.6 | 6.0 |
| In 1972 Dollars | bil. $ | 2nd Qtr. | 1,685 | 0.8 | 2.4 |
| PERSONAL INCOME** | bil. $ | September | 3,209p | 0.3 | 4.6 |
| **INTEREST RATES** | | | | | |
| AVERAGE PRIME RATE | percent | October | 9.50 | 0.0 | −24.5 |
| **CONSTRUCTION** | | | | | |
| CONSTRUCTION PUT IN PLACE** | bil. $ | August | 344.0p | 1.1 | 7.1 |
| CONSTRUCTION COST INDEXES: | | | | | |
| Residences | 1967 = 100 | July | 368.9 | 0.7[1] | 2.4 |
| Apts, Hotels, Office Bldgs | 1967 = 100 | July | 366.5 | 0.4[1] | 1.1 |
| **EMPLOYMENT** | | | | | |
| CIVILIAN EMPLOYMENT* | thous. | September | 107,544 | 0.3 | 2.0 |
| UNEMPLOYMENT* | thous. | September | 8,274 | 1.8 | −1.1 |
| UNEMPLOYMENT RATE* | percent | September | 7.1 | 1.4 | −4.1 |
| **PRICES** | | | | | |
| CONSUMER PRICE INDEXES: | | | | | |
| Wage Earners and Clerical Workers | 1967 = 100 | October | 321.3 | 0.2 | 2.9 |
| All Urban Consumers | 1967 = 100 | October | 325.5 | 0.3 | 3.2 |
| PRODUCER PRICE INDEXES: | | | | | |
| Finished Goods* | 1967 = 100 | September | 291.8p | −0.6 | 0.2 |
| All Commodities | 1967 = 100 | August | 307.2p | −0.6 | −1.1 |

p = preliminary. *Seasonally adjusted.
[1]Compared to May, 1985. **Seasonally adjusted at annual rates.

# business activity in hawaii

| | | | | | |
|---|---|---|---|---|---|
| **TOURISM** | | | | | |
| VISITOR EXPENDITURES | mil. $ | 1984 | 4,582p | ..... | 15.3 |
| OVERNIGHT OR LONGER VISITORS | number | October | 363,630p | 6.3 | −6.9 |
| | number | Jan.-Oct. | 4,059,410p | ..... | 0.5 |
| Westbound | number | October | 276,510p | 7.8 | −7.1 |
| | number | Jan.-Oct. | 3,087,020p | ..... | −0.3 |
| Eastbound | number | October | 87,120p | 1.6 | −6.2 |
| | number | Jan.-Oct. | 972,390p | ..... | 3.3 |
| AVERAGE DAILY VISITOR CENSUS | number | Jan.-Oct | 103,090p | ..... | −2.7 |
| AVERAGE LENGTH OF STAY | no. of days | Jan.-Oct. | 10.2p | ..... | −1.9 |
| MEETING ATTENDANCE | number | Jan.-Sept. | 183,928 | ..... | 6.6 |
| ORGANIZED GROUP TOURS | number | Jan.-Oct. | 712,450p | ..... | −3.2 |
| VISITOR COUNT BY COUNTY[1] | | | | | |
| Oahu | number | October | 215,710p | 7.2 | −7.6 |
| | number | Jan.-Oct. | 2,365,340p | ..... | −2.2 |
| Maui County | number | October | 141,020p | 8.0 | −7.9 |
| | number | Jan.-Oct. | 1,544,620p | ..... | −1.1 |
| Hawaii | number | October | 57,730p | 21.7 | −8.0 |
| | number | Jan.-Oct. | 583,110p | ..... | −8.8 |
| Kauai | number | October | 68,840p | 6.1 | −4.6 |
| | number | Jan.-Oct. | 702,520p | ..... | 2.5 |
| VISITOR ACCOMMODATIONS: | | | | | |
| STATE | number | February | 65,919 | 2.1[2] | 5.6 |
| Oahu | number | February | 38,600 | 0.6[2] | 4.8 |
| Waikiki | number | February | 33,879 | 0.7[2] | 5.1 |
| Maui (Island) | number | February | 13,515 | 4.3[2] | 8.1 |
| Molokai | number | February | 627 | −0.9[2] | 0.0 |
| Lanai | number | February | 10 | 100.0[2] | −16.7 |
| Hawaii | number | February | 7,511 | 8.2[2] | 5.1 |
| Kauai | number | February | 5,656 | −0.7[2] | 6.5 |
| HOTEL OCCUPANCY: | | | | | |
| STATE | percent | September | 67.6p | −17.0 | −3.4 |
| | | Jan.-Sept. | 77.3p | ..... | −0.4 |
| Oahu | percent | September | 73.4p | −15.3 | −3.3 |
| | | Jan.-Sept. | 82.7p | ..... | −1.4 |
| Maui (Island) | percent | September | 70.2p | −16.2 | 0.6 |
| | | Jan.-Sept. | 79.9p | ..... | −2.4 |
| Hawaii | percent | September | 45.3p | −27.6 | −11.4 |
| | | Jan.-Sept. | 57.9p | ..... | 5.3 |
| Kauai | percent | September | 58.2p | −17.1 | −2.3 |
| | | Jan.-Sept. | 67.0p | ..... | 5.0 |

p = preliminary. [1]Estimated Westbound. [2]Compared to October, 1984.

# business activity in hawaii [cont.]

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **DEFENSE EXPENDITURES** | | | | | |
| APPROPRIATED FUNDS TOTAL | mil. $ | Yr. to 3rd Qtr. | 1,547.3 | ..... | 6.8 |
| Military Payroll | mil. $ | Yr. to 3rd Qtr. | 647.5 | ..... | 3.0 |
| Civilian Payroll | mil. $ | Yr. to 3rd Qtr. | 455.2 | ..... | 4.0 |
| Local Purchases | mil. $ | Yr. to 3rd Qtr. | 444.6 | ..... | 16.2 |
| **SUGAR** | | | | | |
| VALUE OF CROP SALES (Unprocessed Cane) | thous. $ | 1984 | 256,200 | ..... | −4.0 |
| SUGAR PRODUCTION | thous. tons | Jan.-Sept. | 827.0 | ..... | −9.8 |
| N. Y. RAW SUGAR PRICE | $/ton | Jan.-Sept. | 415.20 | ..... | −5.1 |
| **PINEAPPLE** | | | | | |
| VALUE OF CROP SALES (Fresh Equivalent) | thous. $ | 1984 | 89,928 | ..... | −10.4 |
| SHIPMENTS: CANNED[1] | thous. $ | Jan.-Sept. | 83,942 | ..... | −45.4 |
| FRESH | thous. lbs. | Jan.-Sept. | 188,902 | ..... | 0.8 |
| **DIVERSIFIED AGRICULTURE** | | | | | |
| CROPS | thous. $ | 1984 | 120,756 | ..... | 5.3 |
| FLOWERS & NURSERY PRODUCTS | thous. $ | 1984 | 42,905 | ..... | 18.6 |
| Anthurium Outshipments[2] | th. dozens | Jan.-Sept. | 1,125.9 | ..... | −12.2 |
| Potted Foliage Plants | thous. $ | 1984 | 14,050 | ..... | 29.7 |
| FRUITS & NUTS | thous. $ | 1984 | 39,749 | ..... | 3.2 |
| Papaya Sales | th. lbs. | Jan.-Sept. | 37,519 | ..... | −27.6 |
| Average Farm Price | cents/lb. | September | 17.0 | 6.3 | 44.1 |
| Macadamia Nut Sales (in shell) | th. lbs. | 1984 | 37,700 | ..... | 3.5 |
| Average Farm Price | cents/lb. | 1984 | 69.2 | ..... | 5.3 |
| VEGETABLES AND MELONS[3] | th. lbs. | Jan.-Sept. | 51,850 | ..... | 0.4 |
| LIVESTOCK | thous. $ | 1984 | 87,025 | ..... | 0.6 |
| BEEF PRODUCTION (Dressed Wt.) | th. lbs. | Jan.-Sept. | 24,689 | ..... | 5.4 |
| Average Farm Price (Feedlot Beef) | cents/lb. | September | 74.5 | −2.0 | −20.3 |
| HOG PRODUCTION (Dressed Wt.) | th. lbs. | Jan.-Sept. | 4,561 | ..... | 2.1 |
| Average Farm Price | cents/lb. | September | 103.0 | 0.5 | −1.9 |
| MILK PRODUCTION | mil. lbs. | Jan.-Sept. | 106.7 | ..... | −6.1 |
| Average Price Sold to Plants | $/100 lbs. | September | 20.87 | 2.9 | 1.0 |
| EGG PRODUCTION | mil. | Jan.-Sept. | 164.4 | ..... | 3.3 |
| Average Farm Price | cents/doz. | September | 71.0 | −2.7 | −15.5 |
| **CONSTRUCTION** | | | | | |
| CONSTRUCTION PUT IN PLACE | mil. $ | Jan.-Sept. | 1,044.7 | ..... | 5.1 |
| **PRIVATE PERMITS AUTHORIZED** | | | | | |
| STATE: | | | | | |
| RESIDENTIAL | thous. $ | Jan.-Sept. | 456,972 | ..... | 62.3 |
| Single Family Units | number | Jan.-Sept. | 3,504 | ..... | 6.9 |
| Multiple Family Units | number | Jan.-Sept. | 2,212 | ..... | 216.5 |
| NONRESIDENTIAL | thous. $ | Jan.-Sept. | 187,310 | ..... | 21.6 |
| OAHU: | | | | | |
| RESIDENTIAL | thous. $ | Jan.-Sept. | 227,447 | ..... | 28.0 |
| Single Family Units | number | Jan.-Sept. | 1,736 | ..... | −3.9 |
| Multiple Family Units | number | Jan.-Sept. | 1,530 | ..... | 162.4 |
| NONRESIDENTIAL | thous. $ | Jan.-Sept. | 116,297 | ..... | 10.0 |
| MAUI CO.: | | | | | |
| RESIDENTIAL | thous. $ | Jan.-Sept. | 121,298 | ..... | 274.4 |
| Single Family Units | number | Jan.-Sept. | 670 | ..... | 37.0 |
| Multiple Family Units | number | Jan.-Sept. | 445 | ..... | 7,316.7 |
| NONRESIDENTIAL | thous. $ | Jan.-Sept. | 18,160 | ..... | 27.6 |
| HAWAII: | | | | | |
| RESIDENTIAL | thous. $ | Jan.-Sept. | 68,100 | ..... | 69.5 |
| Single Family Units | number | Jan.-Sept. | 744 | ..... | 5.1 |
| Multiple Family Units | number | Jan.-Sept. | 186 | ..... | 162.0 |
| NONRESIDENTIAL | thous. $ | Jan.-Sept. | 29,113 | ..... | 24.9 |
| KAUAI: | | | | | |
| RESIDENTIAL | thous. $ | Jan.-Sept. | 37,123 | ..... | 18.6 |
| Single Family Units | number | Jan.-Sept. | 354 | ..... | 29.7 |
| Multiple Family Units | number | Jan.-Sept. | 51 | ..... | 30.8 |
| NONRESIDENTIAL | thous. $ | Jan.-Sept. | 11,598 | ..... | 7.7 |

*[1]Gross taxable income valued at time of shipment.*
*[2]From Hawaii County.*
*[3]Includes snap beans, cabbage, celery, sweet corn, cucumbers, lettuce, onions, green peppers, tomatoes, and watermelons.*

tively weak summer job creation.

Turning to specific sectors of the economy, visitor counts showed a seasonal resurgence in October. Total overnight and longer arrivals were up 6 percent for the month at 363,630, which put cumulative arrivals 0.5 percent above 1984. This was caused by a combination of a recovering westbound market, now at −0.3 percent for the year, and a weakening though still positive eastbound market, down to a 3.3 percent edge over last year after a stronger showing earlier. Unfortunately, some of the power of the westbound market's recovery has been dissipated because of a fall in the intended length of stay by westbound visitors. For the year, the length of stay hovers at 10.2 days, down from last year's 10.4 days. Also acting as a damper on the recovery is the group tour market, which, for the year, trails 3 percent behind 1984 levels.

The Neighbor Islands continue to show mixed results. Through October, Maui was one percent below 1984 westbound visitor arrivals, and down 2 percent in hotel occupancy rates. The Big Island was 9 percent under last year in visitor arrivals, but 5 percent ahead in hotel occupancy rates. Kauai appeared to be in best shape, up 2.5 percent in arrivals and up 5 percent in occupancy rates.

The picture in agriculture is also mixed. Sugar production through September was down 10 percent, selling at prices that averaged 6 percent lower than in 1984. As a result of cost reduction efforts, industry employment for the year also averaged 7 percent lower. Sales of canned pineapple plunged 45 percent during the same period, while fresh shipments held to a one percent gain. Average employment in the pineapple industry was also depressed, down 10 percent. Things were somewhat better in diversified agriculture, where tax base sales were 2 percent over last year's double-digit performance. Despite good sales, however, job counts were 11 percent less than in 1984, mostly because of a reduction in the number of self-employed growers.

The construction industry continues its recovery. Construction put in place statewide through September was 5 percent above last year, much improved after recording a 25 percent deficit in January during the construction workers' strike. Among the Neighbor Islands, Maui and Kauai have come back to 1984 levels.

The outlook for future construction appears promising. The value of private residential building permits statewide was running 62 percent ahead through September, primarily because of a jump

in proposed multi-family unit construction. The value of nonresidential permits was also ahead by 22 percent. Public construction contracts statewide, which are about a fourth the size of private permits in value, were down 30 percent through October. Even so, projects by county governments were 36 percent higher, primarily because of Maui's $7.3 million contract for the new Wailuku Police Station, which also gave Maui County a 50-percent increase in public contract awards this year while the other counties show over-the-year declines.

## HAWAII'S RETAIL INDUSTRY

Retail trade is one of the dominant forces in Hawaii's economy. During 1984, retail sales reached $8.5 billion, comprising over one-third of the $23.9 billion worth of business receipts in the state. The retail industry outpaced the $5.5 billion-per-year service sector (which includes hotels) and the $6.1 billion-per-year wholesaling sector.

In terms of jobs, Hawaii's retailers employed approximately 91,700 workers during 1984, which was about the same as government employment. Together, retail and government jobs comprised about 40 percent of all the jobs in the state. Only the service sector, with 109,600 jobs, employed more people.

Looking at the number of business establishments, retail stores were among the front-runners. Of the 24,520 establishments with payrolls in Hawaii during 1983, 27 percent or 6,640 were involved in retail trade. Only the service sector with 32 percent and 7,890 businesses placed higher.

Retail trade covers a wide range of establishments, included in this sector are: general merchandise stores, grocery stores, hardware and building material stores, gas stations, car dealers, restaurants and bars, and a wide variety of other specialty stores.

Food stores, by far, dominated the retail sector. They accounted for 21 percent of all retail sales. Eating and drinking establishments were second in sales volume with 17 percent, followed by hardware and building material stores, and car dealers with 13 percent and 11 percent, respectively.

Historically, the retail sector has been a strong growth area. Sales have more than quadrupled in the past fifteen years, going from $2 billion in 1970 to $8.5 billion in 1984. With average annual gains of 11 percent between 1970 and 1984, retail sales were one of the most consistent sources of business expansion.

This sales growth translated into

# *business activity in hawaii* [*cont.*]

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **PUBLIC CONTRACTS AWARDED** | | | | | |
| TOTAL GOVERNMENT PROJECTS: | | | | | |
| STATE | thous. $ | Jan.-Oct. | 226,066 | ..... | −29.7 |
| Oahu | thous. $ | Jan.-Oct. | 159,689 | ..... | −34.2 |
| Maui County | thous. $ | Jan.-Oct. | 37,289 | ..... | 50.3 |
| Hawaii | thous. $ | Jan.-Oct. | 15,503 | ..... | −9.6 |
| Kauai | thous. $ | Jan.-Oct. | 13,590 | ..... | −63.4 |
| BY LEVEL OF GOVERNMENT: | | | | | |
| Federal | thous. $ | Jan.-Oct. | 73,087 | ..... | −32.4 |
| State | thous. $ | Jan.-Oct. | 78,952 | ..... | −50.4 |
| County | thous. $ | Jan.-Oct. | 74,028 | ..... | 35.9 |
| **HONOLULU CONSTRUCTION COST INDEXES** | | | | | |
| SINGLE FAMILY | 1967 = 100 | Oct. | 363.5 | −0.3 | 3.2 |
| HIGH-RISE | 1967 = 100 | Oct. | 382.1 | −0.1 | 2.9 |
| **REAL ESTATE RESALES** | | | | | |
| STATE: Single Family | number | Jan.-Sept. | 1,999 | ..... | 14.6 |
| Average Price | dollars | Jan.-Sept. | 168,337 | ..... | −1.4 |
| Condominium | number | Jan.-Sept. | 2,433 | ..... | 15.3 |
| Average Price | dollars | Jan.-Sept. | 104,372 | ..... | −3.8 |
| OAHU: Single Family | number | Jan.-Sept. | 1,472 | ..... | 14.9 |
| Average Price | dollars | Jan.-Sept. | 185,645 | ..... | −0.8 |
| Condominium | number | Jan.-Sept. | 1,990 | ..... | 17.9 |
| Average Price | dollars | Jan.-Sept. | 100,623 | ..... | −1.8 |
| MAUI CO.: Single Family | number | Jan.-Sept. | 188 | ..... | 21.3 |
| Average Price | dollars | Jan.-Sept. | 147,286 | ..... | −18.4 |
| Condominium | number | Jan.-Sept. | 315 | ..... | 1.6 |
| Average Price | dollars | Jan.-Sept. | 127,394 | ..... | −11.4 |
| HAWAII: Single Family | number | Jan.-Sept. | 281 | ..... | 10.6 |
| Average Price | dollars | Jan.-Sept. | 96,636 | ..... | 8.2 |
| Condominium | number | Jan.-Sept. | 68 | ..... | −16.0 |
| Average Price | dollars | Jan.-Sept. | 96,131 | ..... | 4.4 |
| KAUAI: Single Family | number | Jan.-Sept. | 58 | ..... | 5.5 |
| Average Price | dollars | Jan.-Sept. | 144,679 | ..... | 8.0 |
| Condominium | number | Jan.-Sept. | 60 | ..... | 93.5 |
| Average Price | dollars | Jan.-Sept. | 117,195 | ..... | −9.6 |
| **BUSINESS SALES** | | | | | |
| GROSS BUSINESS RECEIPTS | mil. $ | Jan.-Sept. | 18,458.3 | ..... | 1.7 |
| DIVERSIFIED MANUFACTURING | mil. $ | Jan.-Sept. | 396.5 | ..... | −3.3 |
| DIVERSIFIED AGRICULTURE | mil. $ | Jan.-Sept. | 191.6 | ..... | 1.9 |
| RETAILING | mil. $ | Jan.-Sept. | 6,710.8 | ..... | 4.4 |
| WHOLESALING | mil. $ | Jan.-Sept. | 4,516.6 | ..... | −2.7 |
| SERVICES | mil. $ | Jan.-Sept. | 4,459.8 | ..... | 6.1 |
| OAHU NEW CAR SALES | number | Jan.-Sept. | 30,295p | ..... | −0.6 |
| **PUBLIC UTILITIES** | | | | | |
| ELECTRICITY GENERATED | mil. kwh. | Jan.-Sept. | 5,239 | ..... | −0.1 |
| GAS SALES | th. therms. | Jan.-Sept. | 36,515 | ..... | 0.8 |
| TELEPHONE LINES IN SERVICE | thous. | September | 461.4 | 0.5 | 1.1 |
| **HONOLULU PRICES** | | | | | |
| HONOLULU CONSUMER PRICE INDEX: | | | | | |
| Wage Earners and Clerical Workers | 1967 = 100 | October | 302.7 | 0.2 | 2.8 |
| All Urban Consumers | 1967 = 100 | October | 295.6 | 0.2 | 2.9 |

p = preliminary.



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# population and income in hawaii

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **POPULATION** | | | | | |
| STATE: | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 1,141.3p | ..... | 2.4 |
| Total Resident Population | thous. | July 1, 1984 | 1,038.7p | ..... | 2.0 |
| OAHU: | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 859.8p | ..... | 1.5 |
| Total Resident Population | thous. | July 1, 1984 | 805.3p | ..... | 1.6 |
| MAUI COUNTY: | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 114.5p | ..... | 10.3 |
| Total Resident Population | thous. | July 1, 1984 | 83.1p | ..... | 4.0 |
| HAWAII: | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 112.5p | ..... | 1.7 |
| Total Resident Population | thous. | July 1, 1984 | 106.4p | ..... | 3.4 |
| KAUAI: | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 54.4p | ..... | 7.3 |
| Total Resident Population | thous. | July 1, 1984 | 44.0p | ..... | 2.1 |
| CIVILIAN RESIDENT POPULATION: | | | | | |
| STATE | thous. | July 1, 1984 | 981.9p | ..... | 2.0 |
| MILITARY PERSONNEL: | | | | | |
| STATE | number | July 1, 1984 | 60,804 | ..... | 3.0 |
| Ashore | number | July 1, 1984 | 56,321 | ..... | 4.8 |
| Afloat | number | July 1, 1984 | 4,483 | ..... | −14.9 |
| CIVILIAN MILITARY DEPENDENTS | number | July 1, 1984 | 67,083 | ..... | 1.3 |
| FOREIGN IMMIGRATION[1] | number | Jan.-Sept. | 4,162 | ..... | 7.0 |
| **INCOME** | | | | | |
| TOTAL PERSONAL INCOME[2,3] | mil. $ | 2nd Qtr. | 14,191p | 0.9 | 5.0 |
| EMPLOYMENT INCOME[2] | mil. $ | 2nd Qtr. | 10,332p | 1.3 | 5.1 |
| Manufacturing | mil. $ | 2nd Qtr. | 465p | 2.9 | −0.2 |
| Construction & Mining | mil. $ | 2nd Qtr. | 552p | 5.1 | 1.1 |
| Wholesale | mil. $ | 2nd Qtr. | 434p | 2.4 | 6.4 |
| Retail | mil. $ | 2nd Qtr. | 1,190p | 1.1 | 5.2 |
| Finance, Ins., & Real Estate | mil. $ | 2nd Qtr. | 690p | 1.9 | 2.7 |
| Trans., Comm., & Util. | mil. $ | 2nd Qtr. | 899p | 1.0 | 2.3 |
| Services | mil. $ | 2nd Qtr. | 2,360p | 1.7 | 8.9 |
| Farm & Other | mil. $ | 2nd Qtr. | 356p | 0.0 | 6.9 |
| Federal Civilian | mil. $ | 2nd Qtr. | 980p | 2.1 | 9.3 |
| Federal Military | mil. $ | 2nd Qtr. | 1,267p | −1.6 | 4.1 |
| State & Local | mil. $ | 2nd Qtr. | 1,140p | 1.0 | 1.9 |
| PROPERTY INCOME (Dividends, Interest, & Rent) | mil. $ | 2nd Qtr. | 2,698p | 0.3 | 6.1 |
| TRANSFER PAYMENTS (1,867) minus Personal Contributions for Social Insurance (706) | mil. $ | 2nd Qtr. | 1,161p | −1.0 | 1.9 |
| PER CAPITA PERSONAL INCOME: | | | | | |
| STATE | dollars | 1984 | 13,042p | ..... | 5.6 |
| Oahu | dollars | 1983 | 12,697p | ..... | 4.9 |
| Maui County | dollars | 1983 | 10,963p | ..... | 3.4 |
| Hawaii | dollars | 1983 | 9,396p | ..... | 3.1 |
| Kauai | dollars | 1983 | 9,867p | ..... | 2.7 |

**Total personal income and all components are seasonally adjusted at annual rates.
[1]Includes only those entering Honolulu ports and do not include status changes.
[2]Includes wage and salary disbursements, proprietors' income, and other labor income.
p = preliminary.

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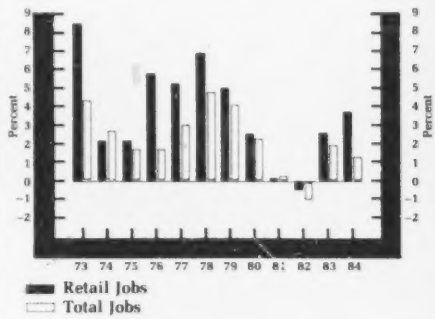
thousands of new jobs, resulting in retail job growth well above the all-industry average. Between 1972 and 1984, the total number of jobs in the state advanced by 30 percent. By comparison, during the same period, retail jobs jumped 52 percent. As seen in Figure 1, over the past twelve years, retail jobs generally grew at a much faster pace than the all-industry average.

**FIGURE 1**
**RETAIL AND TOTAL JOB GROWTH**
**STATE OF HAWAII**
**1973-1984**




While overall retail growth has been strong, growth has not been consistent across the various subsections of the industry. These trends were highlighted in a recent report by the Department of Planning and Economic Development.

Table 1 shows the change in composition of the retail industry over a 15 year time span. According to the table, grocery stores maintained their dominance in retail sales during the last 15 years, in spite of a slight reduction in market share over time. General merchandise stores, on the other hand, dropped to third place in the 1982 census. The data in Table 1 suggest that consumer preference moved away from general merchandise stores, and more



**TABLE 1**
**RETAIL SALES BY TYPE OF BUSINESS**
**STATE OF HAWAII**

| TOTAL SALES (BIL. $) | 1967 $1.0 | 1972 $1.8 | 1977 $3.2 | 1982 $5.1 |
|---|---|---|---|---|
| PERCENT DISTRIBUTION | 100% | 100% | 100% | 100% |
| Bldg. Material | 2 | 2 | 2 | 3 |
| Gen. Merchandise | 19 | 18 | 18 | 13 |
| Food Stores | 23 | 22 | 20 | 21 |
| Car Dealers | 15 | 15 | 14 | 11 |
| Gas Stations | 7 | 6 | 5 | 8 |
| Apparel Stores | 6 | 6 | 6 | 7 |
| Home Furnishing | 4 | 4 | 3 | 3 |
| Restrt. & Bars | 13 | 14 | 15 | 17 |
| Drug Stores | 4 | 5 | 6 | 7 |
| Misc. Stores | 6 | 8 | 10 | 10 |

Source: State of Hawaii, Department of Planning and Economic Development.

towards specialty stores. Stores that showed gains in sales volume specialized in building materials, hardware, and garden supplies, clothes and accessories, drug, and miscellaneous commodities such as liquor, flowers, and books.

Table 2 shows the growth rates for the various retail subsectors between the 1977 and 1982 census surveys. Gains were seen in both the number and sales volume of stores with no payrolls. "Mom and Pop" stores (stores with no payrolls) made up 45 percent of the 8,920 retail stores in the state, but only 2 percent of the sales. During the five year inter-census period, they had a 26 percent gain in number and a 28 percent gain in sales volume.

During the same five years, general merchandise store sales grew a modest 13 percent, compared to an industry average of 58 percent. This accounted for their drop from second to third place.

**TABLE 2**
**RETAIL TRADE BY TYPE OF BUSINESS**
**STATE OF HAWAII**

| | 1982 | | PERCENT CHANGE FROM 1977 | |
|---|---|---|---|---|
| | NO. STORES | SALES (BIL$) | NO. STORES (%) | SALES (%) |
| ALL STORES | 8,920 | 5.2 | 19 | 58 |
| STORES WITH NO PAYROLLS | 2,780 | .1 | 26 | 28 |
| STORES WITH PAYROLLS | 6,140 | 5.1 | 16 | 58 |
| Bldg. Material | 130 | .1 | 21 | 98 |
| Gen. Merchnds. | 150 | .7 | −16 | 13 |
| Food Stores | 800 | 1.: | 27 | 66 |
| Car Dealers | 230 | .5 | 0 | 18 |
| Gas Stations | 370 | .5 | −4 | 131 |
| Apparel Stores | 790 | .4 | 32 | 82 |
| Home Furnishing | 340 | .2 | 15 | 64 |
| Restrt. & Bars | 1,740 | .9 | 18 | 82 |
| Drug Stores | 120 | .3 | 17 | 89 |
| Misc. Stores | 1,480 | .5 | 16 | 62 |

Source: State of Hawaii, Department of Planning and Economic Development.

While people were spending proportionately less at general stores, they were definitely spending more at restaurants and bars. The latest retail census shows that restaurants and bars moved up into second place. Sales shot up 82 percent from $479 million in 1977 to $873 million in 1982, and the number of establishments jumped 18 percent from 1,480 to 1,740. This was substantially above the retail industry average.

Gas stations showed a mixed picture. While service stations actually dropped in number between census surveys, their sales improved a dramatic 131 percent. Sales gains reflected, in part, the dramatic increases in Arab oil prices that occurred in 1973 and 1979.

While the retail sector grew substantially over the years in terms of number of establishments and value of sales, unfortunately wages for its workers re-

# *employment and jobs in hawaii*

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **EMPLOYMENT** | | | | | |
| STATE: | | | | | |
| Civilian Labor Force | thous. | September | 469.0p | −2.8 | 1.1 |
| Employment | thous. | September | 443.2p | −2.6 | 1.5 |
| Unemployment | thous. | September | 25.8p | −5.1 | −6.2 |
| Unemployment Rate | percent | September | 5.5p | −1.8 | −6.8 |
| OAHU: | | | | | |
| Civilian Labor Force | thous. | September | 355.5p | −2.8 | 0.9 |
| Employment | thous. | September | 338.0p | −2.6 | 1.7 |
| Unemployment | thous. | September | 17.6p | −5.4 | −11.1 |
| Unemployment Rate | percent | September | 4.9p | −3.9 | −12.5 |
| MAUI COUNTY: | | | | | |
| Civilian Labor Force | thous. | September | 44.4p | −3.5 | 3.3 |
| Employment | thous. | September | 41.6p | −3.7 | 3.0 |
| Unemployment | thous. | September | 2.8p | 0.0 | 7.7 |
| Unemployment Rate | percent | September | 6.3p | 3.3 | 5.0 |
| HAWAII: | | | | | |
| Civilian Labor Force | thous. | September | 47.4p | −2.3 | 1.1 |
| Employment | thous. | September | 43.5p | −1.6 | 0.0 |
| Unemployment | thous. | September | 3.9p | −9.3 | 11.4 |
| Unemployment Rate | percent | September | 8.1p | −8.0 | 11.0 |
| KAUAI: | | | | | |
| Civilian Labor Force | thous. | September | 21.8p | −2.7 | −0.9 |
| Employment | thous. | September | 20.3p | −2.9 | −0.5 |
| Unemployment | thous. | September | 1.6p | 3.3 | −3.1 |
| Unemployment Rate | percent | September | 7.0p | 4.5 | −4.1 |
| **JOB COUNT BY INDUSTRY** | | | | | |
| TOTAL JOBS—STATE | thous. | September | 454.5p | −1.9 | 2.1 |
| SUGAR (Mill and Field) | thous. | September | 7.5p | −2.6 | −6.3 |
| PINEAPPLE (Cannery and Field) | thous. | September | 3.8p | −19.1 | −2.6 |
| DIVERSIFIED MANUFACTURING (Excluding Sugar and Pineapple) | thous. | September | 16.0p | −0.6 | 0.6 |
| Durable Goods | thous. | September | 3.2p | 0.0 | 6.7 |
| Non-Durable Goods | thous. | September | 12.9p | 0.0 | 0.0 |
| Apparel and Textiles | thous. | September | 3.1p | 0.0 | 6.9 |
| DIVERSIFIED AGRICULTURE (Excluding Sugar And Pineapple, but including Agricultural Self-Employed) | thous. | September | 7.5p | 0.0 | −13.8 |
| CONTRACT CONSTRUCTION | thous. | September | 18.6p | 0.0 | 20.8 |
| TRANSPORTATION | thous. | September | 22.9p | 0.4 | 3.6 |
| COMMUNICATION | thous. | September | 7.4p | 0.0 | −1.3 |
| UTILITIES | thous. | September | 2.5p | 0.0 | 2.1 |
| RETAIL TRADE | thous. | September | 93.2p | −1.2 | 2.1 |
| WHOLESALE TRADE | thous. | September | 18.9p | −1.6 | −0.5 |
| FINANCE, INSURANCE AND REAL ESTATE | thous. | September | 32.2p | −0.6 | 1.9 |
| HOTEL SERVICES—STATE | thous. | September | 28.4p | −0.7 | 2.2 |
| Oahu | thous. | September | 16.1p | 0.6 | 3.2 |
| Maui County | thous. | September | 6.4p | −1.5 | 1.6 |
| Hawaii | thous. | September | 3.7p | −2.6 | 0.0 |
| Kauai | thous. | September | 2.2p | −4.3 | 0.0 |
| OTHER SERVICES | thous. | September | 81.0p | 0.4 | 1.1 |
| FEDERAL GOVERNMENT | thous. | September | 32.6p | −0.3 | 1.6 |
| Civilian Agencies | thous. | September | 11.8p | 0.0 | 1.7 |
| Defense Department | thous. | September | 20.8p | −0.5 | 1.5 |
| STATE GOVERNMENT | thous. | September | 41.5p | −6.7 | 2.5 |
| COUNTY GOVERNMENT | thous. | September | 15.1p | −9.0 | 18.0 |
| NON-AGRICULTURE SELF-EMPLOYED | thous. | September | 25.7p | −6.2 | 0.0 |
| **UNEMPLOYMENT INSURANCE** | | | | | |
| INSURED UNEMPLOYMENT (Weekly Average) | number | September | 9,910 | 7.2 | −16.9 |
| INTRASTATE INITIAL CLAIMS | number | Jan.-Sept. | 52,164 | ..... | −4.6 |
| INTERSTATE INITIAL CLAIMS | number | Jan.-Sept. | 2,925 | ..... | −4.9 |
| UNEMPLOYMENT INSURANCE BENEFITS | thous. $ | Jan.-Sept. | 50,761 | ..... | −8.3 |

*p = preliminary.*

# public assistance in hawaii

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **PUBLIC ASSISTANCE** | | | | | |
| INCOME MAINTENANCE: | | | | | |
| Recipients[1] | no./persons | September | 57,710 | −0.4 | −4.9 |
| Payments | thous. $ | Jan.-Sept. | 73,392 | ..... | −4.7 |
| MEDICAL ASSISTANCE: | | | | | |
| Recipients[1] | no./patients | September | 44,935 | −4.7 | 2.6 |
| Payments | thous. $ | Jan.-Sept. | 129,512 | ..... | 12.2 |
| FOOD STAMPS: | | | | | |
| Recipients[1] | no./persons | August | 96,566 | 0.9 | −1.9 |
| Payments | thous. $ | Jan.-Aug. | 61,525 | ..... | 16.6 |
| SERVICES: | | | | | |
| Recipients[1] | no./cases | 3rd Qtr. | 7,695 | −1.2 | 11.5 |
| Payments | thous. $ | Yr. to 3rd Qtr. | 11,402 | ..... | 13.6 |

[1]Count of recipients is duplicated. A person may be counted in each category.

# banking and finance in hawaii

| | | | | | |
|---|---|---|---|---|---|
| **FINANCE** | | | | | |
| COMMERCIAL BANK DEPOSITS: | | | | | |
| STATE: | | | | | |
| Total Deposits | mil. $ | September | 7,178.9 | 0.5 | 12.7 |
| Debits To Demand Deposits | mil. $ | Jan.-Sept. | 69,978.2 | ..... | 1.5 |
| OAHU: | | | | | |
| Total Deposits | mil. $ | September | 5,976.0 | 0.9 | 13.6 |
| Debits To Demand Deposits | mil. $ | Jan.-Sept. | 63,619.4 | ..... | 0.8 |
| MAUI COUNTY: | | | | | |
| Total Deposits | mil. $ | September | 451.2 | −2.7 | 9.6 |
| Debits To Demand Deposits | mil. $ | Jan.-Sept. | 2,730.4 | ..... | 9.8 |
| HAWAII: | | | | | |
| Total Deposits | mil. $ | September | 507.2 | −0.2 | 8.1 |
| Debits To Demand Deposits | mil. $ | Jan.-Sept. | 2,599.0 | ..... | 10.1 |
| KAUAI: | | | | | |
| Total Deposits | mil. $ | September | 244.5 | −2.2 | 5.6 |
| Debits To Demand Deposits | mil. $ | Jan.-Sept. | 1,055.5 | ..... | 11.5 |
| BANK LOANS OUTSTANDING—STATE: | mil. $ | 3rd Qtr. | 4,472.6 | 1.6 | 12.7 |
| Real Estate | mil. $ | 3rd Qtr. | 1,816.2 | 3.0 | 10.5 |
| Consumer | mil. $ | 3rd Qtr. | 1,008.1 | 2.7 | 10.8 |
| Commercial & Industrial | mil. $ | 3rd Qtr. | 1,295.2 | −2.0 | 15.0 |
| Other | mil. $ | 3rd Qtr. | 353.1 | 5.0 | 21.7 |
| CONVENTIONAL HOME MORTGAGE RATES: HONOLULU | percent | September | 11.6 | 3.6 | −13.4 |
| SAVINGS & LOAN ASSOCIATIONS:[1] | | | | | |
| TOTAL DEPOSITS | mil. $ | June | 3,626.7 | 0.2 | −4.7 |
| LOANS | mil. $ | June | 48.2 | −30.3 | −5.3 |
| Residential | mil. $ | June | 27.2 | −38.9 | −5.6 |
| Other | mil. $ | June | 21.1 | −14.6 | −4.5 |
| TAX COLLECTIONS:[2] | | | | | |
| STATE | thous. $ | Jan.-Sept. | 1,117,569 | ..... | 7.2 |
| Oahu | thous. $ | Jan.-Sept. | 968,668 | ..... | 6.3 |
| Maui County | thous. $ | Jan.-Sept. | 64,256 | ..... | 14.4 |
| Hawaii | thous. $ | Jan.-Sept. | 59,983 | ..... | 10.7 |
| Kauai | thous. $ | Jan.-Sept. | 24,660 | ..... | 21.3 |

[1]Includes data for both Hawaii and Guam.
[2]Taxes collected by the State Department of Taxation. Excludes property taxes which were formerly collected by the State but are now collected by the Counties.

mained extremely low. In 1984, retail workers earned an average of $10,258 per year, 40 percent less than the all-industry average of $16,714 per year. Restaurant and bar workers fared even worse, with an average annual wage of $7,319, they made 56 percent less than the state average (this number, however, does not take most tips into consideration).

The retail industry in Hawaii is driven by several factors. Among the primary ones are the level of visitor spending, interest rates, inflation, and population growth. Visitor spending closely shadows retail sales. For example, tourists spent almost $4.6 billion last year, providing a significant stimulus to retail sales in Hawaii.

Combined with Hawaii's higher prices, visitor spending made the state one of the major retail capitals in the nation. According to *Sales and Marketing Management* magazine, during 1984 Hawaii ranked second, behind Alaska, in the value of retail sales per household. Buying an average of $19,350 per household in retail goods, Hawaii was 30 percent above the national average of $14,900.

So far in 1985, retail sales have slowed. During the first nine months of this year, retailers had a modest 4-percent gain, representing a significant drop from the 10 percent seen during the same period in 1984. One factor contributing to the slowdown was the impact of the United Airlines pilot strike earlier this year which resulted in an estimated loss of $137 million in visitor spending.

While 1985 sales are not as strong as 1984's, it should be remembered that the most important data are not in yet. December is, by far, the crucial month for most retailers. According to industry officials, as much as 40 percent of a retailers' sales, and 60 percent of a retailers' profits for the entire year are determined in the month of December alone.

In the future, retail trade should continue to be one of Hawaii's major growth areas. According to the State of Hawaii Department of Planning and Economic Development, the retail industry is expected to maintain its pattern of modest growth, but not the kind of spectacular growth seen in 1984. Total wages and total sales were predicted to grow at 8 percent in 1986, and an additional 8 percent in 1987. Jobs, however, will expand at a more moderate 3 percent per year. The anticipated expansion will bring annual retail sales well over the $10 billion mark by 1987. Thus, as in the past, the retail industry should continue its dominant role in Hawaii's economy.

# ECONOMIC INDICATORS

A Bimonthly Report on Current Economic Conditions in Hawaii
by the Research Department, First Hawaiian Bank

**November/December 1985**

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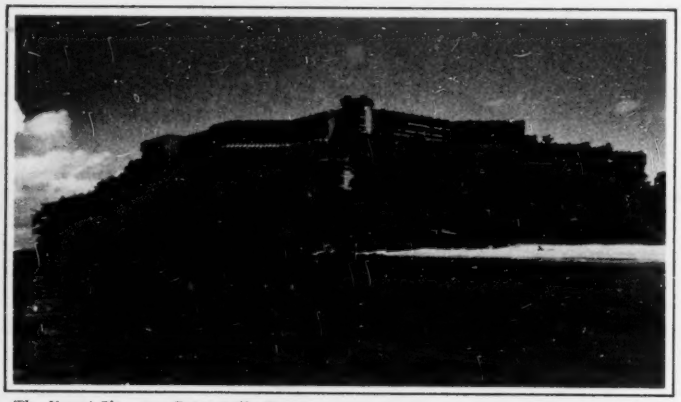

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ISSN 0015-2757

# ECONOMIC INDICATORS

Research Department, First Hawaiian Bank | January/February 1986

## Hawaii's Sports Industry

Hawaii is a natural place for sports. The year-round warm and sunny climate, lush island scenery, and miles of beaches are powerful lures for outdoor sports and recreation. But sports are not just an enjoyable pastime. The sports industry represents an important part of Hawaii's business scene.

For example, more than 10,000 people came to Hawaii for the 1984 Honolulu Marathon. Participants spent $12.3 million in Hawaii, and stayed an average of 11 days. Seventy-eight percent of the participants rented hotel accommodations. Fifty-eight percent of the participants had visited the islands before, with 40 percent of the people coming as part of a tour group. The 1983 Ironman Triathlon World Championship held in Kona is another example. Nine hundred sixty-four athletes participated and 597 members of the news media covered the event accounting for a total of $4.2 million in spending. This translates to $1.5 million in additional household income for Hawaii residents, enough to support 100 full-time jobs for a year and to generate $300,000 in tax revenues.

Media coverage for sports events helps to stimulate interest in Hawaii nationwide, which indirectly benefits tourism. Major nationally televised sports include: football (the Aloha Bowl, NFL Pro Bowl, Hula Bowl, and University of Hawaii Football); basketball (the Chaminade Classic and Rainbow Classic); golf (the Hawaiian Open, Kapalua International, LPGA Women's Kemper Open, and Nissan Cup); and the Kona Ironman Triathlon. Other sports events include the Transpacific Yacht race, a number of professional tennis tourneys, and the Hawaiian International Billfish Tournament.

The economic benefits of these broadcasts are severalfold: first, are the revenues received for television rights to the event. Second, is the publicity through the national and international sporting community; and, third, are the images of Hawaii's natural beauty which accompany the sports coverage, and enhance the state's popularity as a visitor destination.

Sports are also a major contributor to Hawaii's retail market. In 1982, $39 million in sporting goods sales were recorded in the state; this represents a per-capita sales figure of $39.28, higher than the national per capita sales of $32.49. Sales in 1982 represented a healthy 7.4 percent rate of growth over the previous five years. A significant portion of that gain is attributed to the 100 percent leap in visitor spending which occurred over the same period.

In addition, Hawaii residents enjoy watching live sports. While attendance at Hawaii Islander games has fallen, public high school and University of Hawaii-Manoa sporting events have shown rising attendance over the past five years. However, our resident sports fans are not big spenders when it comes to spectator events; they spent $7.3 million or $9.79 per capita for spectator sports, compared to the national average of $14.66 per capita in 1983.

The outlook for the local sports industry is uncertain. Gate receipts for the Aloha Stadium in 1984 totalled $2.3 million, continuing a slow but steady increase. Attendance of just over a million people in 1984 was 6 percent over the previous year and the first million-plus figure in five years, but this was still below the attendance records set in the first two years after the stadium opened in 1975. Statistics for University of Hawaii football show that both attendance and receipts in 1985 were down substantially.

To date, professional sports teams have not done well in the islands. The Hawaii Islanders baseball team remains after enduring a number of financial close calls during their 26 seasons in Hawaii. Some less fortunate sports ventures include the Hawaii Chiefs basketball team (1961-1962), the Hawaii Leis tennis team (1974-1976), the Hawaiians football team (1974-1975), Team Hawaii for soccer (1977), and the Hawaii Volcanos basketball team (1979). Speculation continues among local fans on the possibility of establishing a franchise team here in the United States Football League.

Overall, the sports industry represents a multi-million dollar component of the economy; it is fed by the spending of visiting athletes, visitors attracted to the state by media coverage of local sporting events, gate receipts, and retail sales. Sports offer a promising avenue towards the continued diversification of Hawaii's economy, as well as the kind of healthy recreation that enhances the quality of life for island residents.

As the mixed picture of recent trends suggests, it is also a sector that cannot be taken for granted. Looking to the future, a sports medicine facility is planned at the Hyatt Waikoloa in South Kohala now under development, and proposals have been made to establish international sports training facilities in Hawaii. The Hawaii Visitors Bureau has just published a Hawaii 1986 Sports calender listing 176 sporting events scheduled for this year alone. These events should do much to reinforce Hawaii's rewarding sports-tourism connection. The training of the Sail America yachting team in Hawaii is not only making news, but could be the harbinger of bigger things to come. The team and its million-dollar high-tech boats will be challenging the Australians for the America's Cup this October.

These are but a few of the exciting developments in Hawaii's love affair with sports. It is a relationship that merits special care, for Hawaii has much to gain by working toward and becoming the sports center of the Pacific.

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**JANUARY/FEBRUARY FEATURE STORY: HAWAII'S FILM INDUSTRY**

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## CURRENT BUSINESS TRENDS

November's gross business receipts displayed a seasonal pause before the Christmas flurry, down 8 percent from October. For the year, however, business sales of $22 billion through November remained 2 percent ahead of 1984 on the strength of sectors such as construction, retailing, and services. It thus appears likely that, when the final tally is made, receipts for all of 1985 will have a slim margin over 1984. These state trends were mirrored in Oahu's $19 billion in business sales through November, up 1.8 percent from last year. Maui County did even better, recording a 5 percent rise above its stellar performance the year before. Kauai was an impressive 8 percent ahead, while the Big Island through November continued to lag 1984 slightly, down 0.6 percent.

The seasonal pause in the economy also appeared in Hawaii's labor statistics. Rather than the nearly 2 percent year-to-year employment gains of most months in 1985, November's increase was just 0.9 percent. The job count also revealed a slight slippage, from a 2.2 percent over-the-year increase in September and October to a 1.7 percent gain in November at 463,950 jobs. Fortunately, the unemployment rate held to a low 5.6 percent for the month, still under the national average of 7 percent.

Hawaii's visitor industry closed 1985 with a total tally of 4,870,130 visitors through December, surprisingly good considering May's 29-day United Airlines strike. This total represents about the same impressive level of visitor traffic received in 1984, a year with an 11 percent gain. What made for this year's remarkable show of resiliency was Hawaii's eastbound visitor market, where strong spring and summer arrivals put the year's total at 1,170,990 visitors, up 3 percent, which helped to compensate for a softening westbound market of 3,699,140 visitors, down 0.6 percent.

The extent of the westbound market's retreat varied considerably by island.

# u. s. economic indicators

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **GROSS NATIONAL PRODUCT**** | | | | | |
| In Current Dollars | bil. $ | 4th Qtr. | 4,076p | 1.5 | 5.8 |
| In 1982 Dollars | bil. $ | 4th Qtr. | 3,613p | 0.8 | 2.8 |
| PERSONAL INCOME** | bil. $ | November | 3,345p | 0.6 | 5.1 |
| **INTEREST RATES** | | | | | |
| AVERAGE PRIME RATE | percent | December | 9.50 | 0.0 | −14.1 |
| **CONSTRUCTION** | | | | | |
| CONSTRUCTION PUT IN PLACE** | bil. $ | October | 347.8p | 0.5 | 9.3 |
| CONSTRUCTION COST INDEXES: | | | | | |
| Residences | 1967 = 100 | September | 370.2 | 0.4¹ | 2.1 |
| Apts, Hotels, Office Bldgs | 1967 = 100 | September | 368.0 | 0.4¹ | 1.3 |
| **EMPLOYMENT** | | | | | |
| CIVILIAN EMPLOYMENT* | thous. | November | 107,927 | 0.1 | 1.9 |
| UNEMPLOYMENT* | thous. | November | 8,140 | −1.8 | .0 |
| UNEMPLOYMENT RATE* | percent | November | 7.0 | −1.4 | −1.4 |
| **PRICES** | | | | | |
| CONSUMER PRICE INDEXES: | | | | | |
| Wage Earners and Clerical Workers | 1967 = 100 | December | 323.4 | 0.2 | 3.6 |
| All Urban Consumers | 1967 = 100 | December | 327.4 | 0.2 | 3.8 |
| PRODUCER PRICE INDEXES: | | | | | |
| Finished Goods* | 1967 = 100 | November | 296.7p | 0.8 | 1.6 |
| All Commodities | 1967 = 100 | October | 308.0p | 0.7 | −0.5 |

p = preliminary. ¹Compared to July, 1985. *Seasonally adjusted. **Seasonally adjusted at annual rates.

# business activity in hawaii

| | Unit | Period | Number | | |
|---|---|---|---|---|---|
| **BUSINESS SALES** | | | | | |
| GROSS BUSINESS RECEIPTS: | | | | | |
| STATE | mil. $ | Jan.-Nov. | 22,333.7 | ..... | 2.0 |
| Oahu | mil. $ | Jan.-Nov. | 18,813.2 | ..... | 1.8 |
| Maui County | mil. $ | Jan.-Nov. | 1,538.3 | ..... | 4.9 |
| Hawaii | mil. $ | Jan.-Nov. | 1,435.0 | ..... | −0.6 |
| Kauai | mil. $ | Jan.-Nov. | 547.2 | ..... | 7.8 |
| DIVERSIFIED MANUFACTURING | mil. $ | Jan.-Nov. | 484.5 | ..... | −0.5 |
| DIVERSIFIED AGRICULTURE | mil. $ | Jan.-Nov. | 229.0 | ..... | 2.3 |
| RETAILING | mil. $ | Jan.-Nov. | 8,127.1 | ..... | 4.0 |
| WHOLESALING | mil. $ | Jan.-Nov. | 5,518.8 | ..... | −2.0 |
| SERVICES | mil. $ | Jan.-Nov. | 5,320.8 | ..... | 6.1 |
| OAHU NEW CAR SALES | number | Jan.-Nov. | 38,064p | ..... | 1.8 |
| **HONOLULU PRICES** | | | | | |
| HONOLULU CONSUMER PRICE INDEX: | | | | | |
| Wage Earners and Clerical Workers | 1967 = 100 | December | 305.8 | 0.5 | 2.8 |
| All Urban Consumers | 1967 = 100 | December | 298.5 | 0.5 | 3.0 |
| **TOURISM** | | | | | |
| VISITOR EXPENDITURES | mil. $ | 1984 | 4,582p | ..... | 15.3 |
| OVERNIGHT OR LONGER VISITORS | number | December | 442,830p | 21.1 | 2.3 |
| | number | Jan.-Dec. | 4,870,130p | ..... | 0.3 |
| Westbound | number | December | 330,470p | 17.0 | 2.3 |
| | number | Jan.-Dec. | 3,699,140p | ..... | −0.6 |
| Eastbound | number | December | 112,360p | 34.9 | 2.2 |
| | number | Jan.-Dec. | 1,170,990p | ..... | 3.2 |
| AVERAGE DAILY VISITOR CENSUS | number | Jan.-Dec. | 103,600p | ..... | −2.5 |
| AVERAGE LENGTH OF STAY | no. of days | Jan.-Dec. | 10.2p | ..... | −2.9 |
| MEETING ATTENDANCE | number | Jan.-Dec. | 247,166 | ..... | −3.1 |
| ORGANIZED GROUP TOURS | number | Jan.-Dec. | 835,330p | ..... | −4.9 |
| VISITOR COUNT BY COUNTY¹ | | | | | |
| Oahu | number | December | 239,710p | 12.1 | −0.7 |
| | number | Jan.-Dec. | 2,818,950p | ..... | −2.8 |
| Maui County | number | December | 147,510p | 9.2 | 2.8 |
| | number | Jan.-Dec. | 1,826,930p | ..... | −1.5 |
| Hawaii | number | December | 59,850p | 14.0 | −2.3 |
| | number | Jan.-Dec. | 695,340p | ..... | −8.6 |
| Kauai | number | December | 67,870p | 7.6 | 6.4 |
| | number | Jan.-Dec. | 833,380p | ..... | 2.3 |

p = preliminary. ¹Estimated Westbound.

# business activity in hawaii [cont.]

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| VISITOR ACCOMMODATIONS: | | | | | |
| STATE | number | Feb., 1985 | 65,919 | 2.1[2] | 5.6 |
| Oahu | number | Feb., 1985 | 38,600 | 0.6[2] | 4.8 |
| Waikiki | number | Feb., 1985 | 33,879 | 0.7[2] | 5.1 |
| Maui (Island) | number | Feb., 1985 | 13,515 | 4.3[2] | 8.1 |
| Molokai | number | Feb., 1985 | 627 | −0.9[2] | 0.0 |
| Lanai | number | Feb., 1985 | 10 | 100.0[2] | −16.7 |
| Hawaii | number | Feb., 1985 | 7,511 | 8.2[2] | 5.1 |
| Kauai | number | Feb., 1985 | 5,656 | −0.7[2] | 6.5 |
| HOTEL OCCUPANCY: | | | | | |
| STATE | percent | November | 75.9p | 2.2 | −1.4 |
| | | Jan.-Nov. | 76.9p | ..... | −0.6 |
| Oahu | percent | November | 81.4p | 4.6 | −1.5 |
| | | Jan.-Nov. | 82.1p | ..... | −1.4 |
| Maui (Island) | percent | November | 78.3p | −0.6 | −1.6 |
| | | Jan.-Nov. | 79.6p | ..... | −2.6 |
| Hawaii | percent | November | 59.1p | −2.2 | −2.0 |
| | | Jan.-Nov. | 58.2p | ..... | 4.1 |
| Kauai | percent | November | 61.7p | −2.1 | 1.6 |
| | | Jan.-Nov. | 66.1p | ..... | 3.8 |
| **DEFENSE EXPENDITURES** | | | | | |
| APPROPRIATED FUNDS TOTAL | mil. $ | Yr. to 3rd Qtr. | 1,547.3 | ..... | 6.8 |
| Military Payroll | mil. $ | Yr. to 3rd Qtr. | 647.5 | ..... | 3.0 |
| Civilian Payroll | mil. $ | Yr. to 3rd Qtr. | 455.2 | ..... | 4.0 |
| Local Purchases | mil. $ | Yr. to 3rd Qtr. | 444.6 | ..... | 16.2 |
| **SUGAR** | | | | | |
| VALUE OF CROP SALES (Unprocessed Cane) | thous. $ | 1984 | 256,200 | ..... | −4.0 |
| SUGAR PRODUCTION | thous. tons | Jan.-Nov. | 973.5 | ..... | −6.4 |
| AVERAGE N. Y. RAW SUGAR PRICE | $/ton | Jan.-Nov. | 408.60 | ..... | −6.3 |
| **PINEAPPLE** | | | | | |
| VALUE OF CROP SALES (Fresh Equivalent) | thous. $ | 1984 | 89,928 | ..... | −10.4 |
| SHIPMENTS: CANNED[3] | thous. $ | Jan.-Nov. | 95,548 | ..... | −50.5 |
| FRESH | thous. lbs. | Jan.-Nov. | 229,524 | ..... | 3.0 |
| **DIVERSIFIED AGRICULTURE** | | | | | |
| CROPS | thous. $ | 1984 | 120,756 | ..... | 5.3 |
| FLOWERS & NURSERY PRODUCTS | thous. $ | 1984 | 42,905 | ..... | 18.6 |
| Anthurium Outshipments[4] | th. dozens | Jan.-Nov. | 1,441.3 | ..... | −10.3 |
| Potted Foliage Plants | thous. $ | 1984 | 14,050 | ..... | 29.7 |
| FRUITS & NUTS | thous. $ | 1984 | 39,749 | ..... | 3.2 |
| Papaya Sales | th. lbs. | Jan.-Nov. | 45,489 | ..... | −28.1 |
| Average Farm Price | cents/lb. | November | 16.0 | 0.0 | 25.0 |
| Macadamia Nut Sales (in shell) | th. lbs. | 1985 | 37,000 | ..... | −1.9 |
| Average Farm Price | cents/lb. | 1985 | 70.0 | ..... | 1.2 |
| VEGETABLES AND MELONS[5] | th. lbs. | Jan.-Nov. | 61,510 | ..... | 1.6 |
| LIVESTOCK | thous. $ | 1984 | 87,025 | ..... | 0.6 |
| BEEF PRODUCTION (Dressed Wt.) | th. lbs. | Jan.-Nov. | 30,544 | ..... | 7.0 |
| Average Farm Price (Feedlot Beef) | cents/lb. | November | 82.0 | 9.3 | −6.8 |
| HOG PRODUCTION (Dressed Wt.) | th. lbs. | Jan.-Nov. | 5,595 | ..... | 0.7 |
| Average Farm Price | cents/lb. | November | 104.0 | 0.5 | 0.5 |
| MILK PRODUCTION | mil. lbs. | Jan.-Nov. | 129.6 | ..... | −4.8 |
| Average Price Sold to Plants | $/100 lbs. | November | 20.74 | −1.1 | 2.9 |
| EGG PRODUCTION | mil. | Jan.-Nov. | 201.9 | ..... | 5.1 |
| Average Farm Price | cents/doz. | November | 70.0 | −1.4 | −15.7 |
| **PUBLIC UTILITIES** | | | | | |
| ELECTRICITY GENERATED | mil. kwh. | Jan.-Nov. | 6,456 | ..... | 0.6 |
| GAS SALES | th. therms. | Jan.-Nov. | 44,288 | ..... | 1.2 |
| TELEPHONE LINES IN SERVICE | thous. | November | 464.1 | 0.3 | 1.5 |

p = preliminary.
[2]Compared to October, 1984.
[3]Gross taxable income valued at time of shipment.
[4]From Hawaii County.
[5]Includes snap beans, cabbage, celery, sweet corn, cucumbers, lettuce, onions, green peppers, tomatoes, and watermelons.

Kauai fared the best, finishing the year at 833,380 westbound visitors, up 2 percent. Maui and Oahu were less robust. Maui recorded 1,826,930 visitors, down 1.5 percent, while Oahu hosted 2,818,950 visitors, down 3 percent. The Big Island struggled throughout the year and finished with 695,340 visitors, down 9 percent. The economic impact of all of these ups and downs in the visitor count was diluted by a 3 percent decline in the average length of visitor stays, which slipped from 10.5 days in 1984 to 10.2 days in 1985.

The group tour market showed continued weakness in December, down 7 percent from a year ago, which placed the cumulative count for 1985 at 835,330, down 5 percent from 1984's banner year. Convention attendance also faltered in 1985, down 3 percent at 247,166 participants.

Hawaii's sugar industry breathed an uncertain sigh of relief on December 23rd when President Reagan signed into law the 1985 Farm Act. While the measure continues the essential sugar price supports, it also creates some very austere conditions that the industry will have to face for the next five years.

First, the Act freezes the loan rate, the price growers would receive if they chose to loan their sugar to the price support program rather than accept market prices, at 18 cents per pound. This may permit growers to survive, but only with continued cost reduction efforts. It should be noted that the receipts of Hawaii growers have been less than the loan rate since mid-1984. Second, it requires that the federal government tighten import quotas and take other steps to raise domestic sugar prices to more reasonable levels beginning January 1, 1987.

Showing its continued rebound from past labor strikes, new construction for 1985 through November totalled $1.3 billion, up 12 percent from 1984. Before the impact of the strikes became evident in August of 1984, monthly new construction averaged $116,323. So far, this amount has been exceeded consistently for the past six months.

Building permit data suggest continued growth in private construction in the near-term. All counties show double-digit increases in estimated permit values for both residential and nonresidential construction. Permits for single family unit construction are especially high on Maui and Kauai, while Oahu, Maui, and Kauai recorded sizable gains in permits for multiple family units.

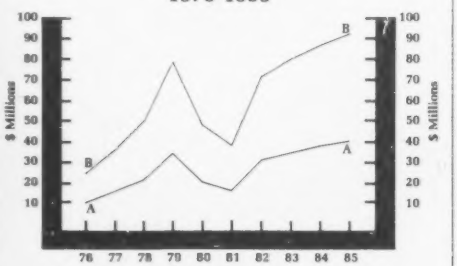
On the other hand, public construction contract awards for 1985 have been substantially depressed. The state total

of $249 million for the year is 36 percent below 1984, with weakness coming from both the federal government, down 42 percent, and state government, down 47 percent. Oahu and Kauai were set back the most, off 41 percent and 60 percent, respectively. However, contract awards on Maui remained robust, up 41 percent to $38 million. In addition to its strong building permit activity, Maui County seems set for a very rosy construction year in 1986.

## HAWAII'S FILM INDUSTRY

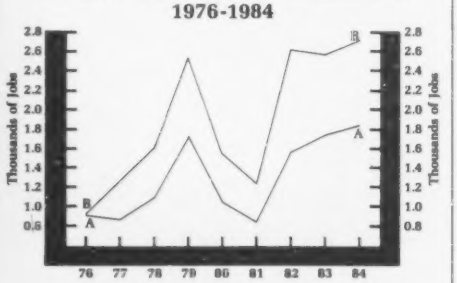
Hawaii's best resources, its natural beauty and its people, are among the prime reasons for our successful visitor industry. Those same assets have also been discovered to be fertile ground for one of Hawaii's emerging and highly promising industries, film and television production. Since statehood, when the industry is estimated to have comprised $2.6 million in local expenditures, film and television production have shot up to $41 million in 1985. The film industry also supported 1,850 direct jobs in 1984. Clearly, the industry is a rapidly growing part of Hawaii's economy (see figures 1 and 2).

**FIGURE 1**
**FILM INDUSTRY EXPENDITURES IN HAWAII**
**1976-1985**




A. Direct expenditures
B. Direct, indirect, and induced expenditures

**FIGURE 2**
**FILM INDUSTRY JOBS IN HAWAII**
**1976-1984**




A. Direct jobs
B. Direct, indirect, and induced jobs

The relative size of the film industry compared to other growing sectors of the economy can be seen using statistics from 1984. The $38 million spent in Hawaii by the film industry was 17

# business activity in hawaii [cont.]

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **CONSTRUCTION PUT IN PLACE** | | | | | |
| STATE: | thous. $ | Jan.-Nov. | 1,286,499 | ..... | 12.3 |
| Oahu | thous. $ | Jan.-Nov. | 1,121,347 | ..... | 13.8 |
| Maui County | thous. $ | Jan.-Nov. | 64,568 | ..... | 5.5 |
| Hawaii | thous. $ | Jan.-Nov. | 74,243 | ..... | −0.6 |
| Kauai | thous. $ | Jan.-Nov. | 26,341 | ..... | 7.1 |
| **HONOLULU CONSTRUCTION COST INDEXES** | | | | | |
| SINGLE FAMILY | 1967 = 100 | December | 363.0 | −0.2 | 3.6 |
| HIGH-RISE | 1967 = 100 | December | 381.1 | −0.3 | 3.0 |
| **PRIVATE PERMITS AUTHORIZED** | | | | | |
| STATE: RESIDENTIAL | thous. $ | Jan.-Oct. | 499,516 | ..... | 53.5 |
| Single Family Units | number | Jan.-Oct. | 3,983 | ..... | 12.4 |
| Multiple Family Units | number | Jan.-Oct. | 2,336 | ..... | 127.2 |
| NONRESIDENTIAL | thous. $ | Jan.-Oct. | 213,715 | ..... | 22.1 |
| OAHU: RESIDENTIAL | thous. $ | Jan.-Nov. | 274,452 | ..... | 23.0 |
| Single Family Units | number | Jan.-Nov. | 2,244 | ..... | 7.1 |
| Multiple Family Units | number | Jan.-Nov. | 1,650 | ..... | 70.8 |
| NONRESIDENTIAL | thous. $ | Jan.-Nov. | 145,781 | ..... | 13.9 |
| MAUI CO.: RESIDENTIAL | thous. $ | Jan.-Oct. | 130,492 | ..... | 272.2 |
| Single Family Units | number | Jan.-Oct. | 752 | ..... | 39.0 |
| Multiple Family Units | number | Jan.-Oct. | 453 | ..... | 7,450.0 |
| NONRESIDENTIAL | thous. $ | Jan.-Oct. | 23,107 | ..... | 40.6 |
| HAWAII: RESIDENTIAL | thous. $ | Jan.-Nov. | 78,498 | ..... | 27.8 |
| Single Family Units | number | Jan.-Nov. | 916 | ..... | 7.8 |
| Multiple Family Units | number | Jan.-Nov. | 190 | ..... | 5.0 |
| NONRESIDENTIAL | thous. $ | Jan.-Nov. | 33,443 | ..... | 32.9 |
| KAUAI: RESIDENTIAL | thous. $ | Jan.-Nov. | 45,077 | ..... | 21.3 |
| Single Family Units | number | Jan.-Nov. | 430 | ..... | 28.0 |
| Multiple Family Units | number | Jan.-Nov. | 51 | ..... | 30.8 |
| NONRESIDENTIAL | thous. $ | Jan.-Nov. | 14,860 | ..... | 18.4 |
| **PUBLIC CONTRACTS AWARDED** | | | | | |
| TOTAL GOVERNMENT PROJECTS: | | | | | |
| STATE | thous. $ | Jan.-Dec. | 248,872 | ..... | −36.0 |
| Oahu | thous. $ | Jan.-Dec. | 177,243 | ..... | −41.1 |
| Maui County | thous. $ | Jan.-Dec. | 37,766 | ..... | 41.1 |
| Hawaii | thous. $ | Jan.-Dec. | 18,520 | ..... | −19.7 |
| Kauai | thous. $ | Jan.-Dec. | 15,346 | ..... | −59.7 |
| BY LEVEL OF GOVERNMENT: | | | | | |
| Federal | thous. $ | Jan.-Dec. | 75,095 | ..... | −42.2 |
| State | thous. $ | Jan.-Dec. | 94,658 | ..... | −46.5 |
| County | thous. $ | Jan.-Dec. | 79,119 | ..... | −3.1 |
| **REAL ESTATE RESALES** | | | | | |
| STATE: Single Family | number | Jan.-Nov. | 2,528 | ..... | 17.5 |
| Average Price | dollars | Jan.-Nov. | 169,581 | ..... | 0.4 |
| Condominium | number | Jan.-Nov. | 3,020 | ..... | 18.8 |
| Average Price | dollars | Jan.-Nov. | 103,229 | ..... | −5.3 |
| OAHU: Single Family | number | Jan.-Nov. | 1,850 | ..... | 16.9 |
| Average Price | dollars | Jan.-Nov. | 187,803 | ..... | 1.2 |
| Condominium | number | Jan.-Nov. | 2,484 | ..... | 21.3 |
| Average Price | dollars | Jan.-Nov. | 99,811 | ..... | −3.4 |
| MAUI CO.: Single Family | number | Jan.-Nov. | 236 | ..... | 25.5 |
| Average Price | dollars | Jan.-Nov. | 150,045 | ..... | −14.3 |
| Condominium | number | Jan.-Nov. | 384 | ..... | 6.4 |
| Average Price | dollars | Jan.-Nov. | 123,260 | ..... | −13.3 |
| HAWAII: Single Family | number | Jan.-Nov. | 364 | ..... | 15.9 |
| Average Price | dollars | Jan.-Nov. | 95,180 | ..... | 7.5 |
| Condominium | number | Jan.-Nov. | 82 | ..... | −11.8 |
| Average Price | dollars | Jan.-Nov. | 99,802 | ..... | 9.5 |
| KAUAI: Single Family | number | Jan.-Nov. | 78 | ..... | 16.4 |
| Average Price | dollars | Jan.-Nov. | 143,715 | ..... | 7.4 |
| Condominium | number | Jan.-Nov. | 70 | ..... | 66.7 |
| Average Price | dollars | Jan.-Nov. | 118,626 | ..... | −14.6 |

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# population in hawaii

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **POPULATION** | | | | | |
| STATE: | | | | | |
| Total De Facto Population | thous. | July 1, 1985 | 1,149.9p | ..... | 0.9 |
| Total Resident Population | thous. | July 1, 1985 | 1,053.9p | ..... | 1.6 |
| OAHU: | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 859.8p | ..... | 1.5 |
| Total Resident Population | thous. | July 1, 1984 | 805.3p | ..... | 1.6 |
| MAUI COUNTY: | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 114.5p | ..... | 10.3 |
| Total Resident Population | thous. | July 1, 1984 | 83.1p | ..... | 4.0 |
| HAWAII: | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 112.5p | ..... | 1.7 |
| Total Resident Population | thous. | July 1, 1984 | 106.4p | ..... | 3.4 |
| KAUAI: | | | | | |
| Total De Facto Population | thous. | July 1, 1984 | 54.4p | ..... | 7.3 |
| Total Resident Population | thous. | July 1, 1984 | 44.0p | ..... | 2.1 |
| CIVILIAN RESIDENT POPULATION: | | | | | |
| STATE | thous. | July 1, 1984 | 981.9p | ..... | 2.0 |
| MILITARY PERSONNEL: | | | | | |
| STATE | number | July 1, 1985 | 58,005 | ..... | −4.6 |
| Ashore | number | July 1, 1985 | 53,848 | ..... | −4.4 |
| Afloat | number | July 1, 1985 | 4,157 | ..... | −7.3 |
| CIVILIAN MILITARY DEPENDENTS | number | July 1, 1985 | 64,281 | ..... | −4.2 |
| FOREIGN IMMIGRATION[1] | number | Jan.-Dec. | 5,569 | ..... | 4.6 |

*p = preliminary.*
*[1]Includes only those entering Honolulu ports and do not include status changes.*

# income in hawaii

| | | | | | |
|---|---|---|---|---|---|
| **INCOME** | | | | | |
| TOTAL PERSONAL INCOME** | mil. $ | 3rd Qtr. | 14,390p | 1.1 | 5.2 |
| EMPLOYMENT INCOME[2] | mil. $ | 3rd Qtr. | 10,502p | 1.3 | 6.3 |
| Manufacturing | mil. $ | 3rd Qtr. | 511p | 3.0 | 15.3 |
| Construction & Mining | mil. $ | 3rd Qtr. | 574p | 1.1 | 13.4 |
| Wholesale | mil. $ | 3rd Qtr. | 445p | 0.9 | 6.0 |
| Retail | mil. $ | 3rd Qtr. | 1,179p | 0.2 | 5.1 |
| Finance, Ins., & Real Estate | mil. $ | 3rd Qtr. | 700p | 1.7 | 3.1 |
| Trans., Comm., & Util. | mil. $ | 3rd Qtr. | 936p | 2.3 | 7.2 |
| Services | mil. $ | 3rd Qtr. | 2,371p | 1.4 | 6.3 |
| Farm & Other | mil. $ | 3rd Qtr. | 345p | −2.5 | −1.7 |
| Federal Civilian | mil. $ | 3rd Qtr. | 978p | −0.2 | 6.0 |
| Federal Military | mil. $ | 3rd Qtr. | 1,276p | 0.7 | 3.8 |
| State & Local | mil. $ | 3rd Qtr. | 1,186p | 3.4 | 7.1 |
| PROPERTY INCOME (Dividends, Interest, & Rent) | mil. $ | 3rd Qtr. | 2,712p | 0.5 | 2.6 |
| TRANSFER PAYMENTS (1,894) minus Personal Contributions for Social Insurance (717) | mil. $ | 3rd Qtr. | 1,177p | 1.6 | 1.5 |
| PER CAPITA PERSONAL INCOME: | | | | | |
| STATE | dollars | 1984 | 13,042p | ..... | 5.6 |
| Oahu | dollars | 1983 | 12,697p | ..... | 4.9 |
| Maui County | dollars | 1983 | 10,963p | ..... | 3.4 |
| Hawaii | dollars | 1983 | 9,396p | ..... | 3.1 |
| Kauai | dollars | 1983 | 9,867p | ..... | 2.7 |

***Total personal income and all components are seasonally adjusted at annual rates.*
*[2]Includes wage and salary disbursements, proprietors' income, and other labor income.*
*p = preliminary.*

AWAIIAN BANK

times the sales of aquaculture, and almost double that of macadamia nuts. Furthermore, the film industry was nearly equal to the farm value of flowers and nursery products, both industries growing at a neck-and-neck pace.

If the ripple effect of the initial spending in the economy is taken into account, the $38 million of expenditures multiplies to $87 million in direct and indirect impacts, which contribute to the support of 2,720 jobs in the state. The preliminary 1985 figures show a multiplier effect in the economy of $92 million attributable to the film industry, nearly double the amount just five years earlier. While still small in comparison to the $4.6 billion visitor industry, film and television production complements and helps to nourish its gargantuan cousin, and aids other sectors of the economy as well, such as the sports industry (see cover story).

Hawaii's television scene has been busy, beginning with "Hawaiian Eye" (1959-1962), continuing with "Hawaii Five-O" (1967-1980), and now "Magnum P.I." (1980-present). Various episodes of continuing TV series and special shows have taken advantage of our tropical backdrop. In addition, nearly half of the present production consists of commercials, and about half of these, roughly $7 million worth, represent Japanese and other foreign company advertisements.

Nearly 200 feature-length films have been produced in Hawaii, ranging from the now obscure to the movie classic. A special film about Hawaii that has received popular acclaim on the mainland, but has yet to be seen here, is "Behold Hawaii," a 40-minute, $2.5 million spectacle filmed in the IMAX format, which requires projection onto a 70-foot by 96-foot screen. Unfortunately, plans to construct a special theater in Waikiki to show the film were set aside indefinitely because the financial prospects for the project appeared unfavorable.

State and county governments have recognized the potential of this vigorous industry and have taken steps to nurture its development. In 1983, the legislature established a one-stop permit processing office for filmmaking in the Department of Planning and Economic Development to ease the burden of red tape on producers. Details on how to make this work are still being figured out by the agencies involved. The legislature also approved $10 million in special purpose revenue bonds for Aloha Studios, a private local company interested in developing a large-scale movie studio complex. Changes in federal public bond regulations persuaded the company to seek private funds in-

stead.

Another developmental step at the state level has been the relocation of the Hawaii Film Office, the state's film promotion agency, into the administrative structure of the Department of Planning and Economic Development under the new title of Film Industry Branch. While this organizational reshuffle may facilitate the permit streamlining effort, critics suggest the change may have lowered the public stature of the office, an important consideration in an industry where image and prestige are some of the staples of doing business.

The county governments on the Neighbor Islands are in full swing, wooing more film business. A Hawaii Island Film Industry Committee has been organized to encourage more filmmaking. A similar effort is underway on Maui through the Maui County Visitor Association (MCVA). In addition to conducting tours of the island for potential filmmakers, the MCVA is distributing 5,000 brochures to producers describing the support available from the Maui County Film Advisory Committee.

Kauai County seems to have progressed the farthest, recording $6 million in local production spending from 1983 to 1985. More than 30 major motion pictures have been filmed there since 1950, and recent activity by Japanese film companies has increased significantly. A special assistant to the mayor has been working full-time at attracting more production work to Kauai. This and other efforts appear to be bringing good results. The "Behold Hawaii" IMAX film mentioned earlier is actually a spotlight on Kauai's breathtaking landscape. "South Pacific" and "Raiders of the Lost Ark" also were filmed on the island.

The time-consuming permit requirement is not the only disincentive facing filmmakers who work here. Hawaii's high cost of living translates into a high cost of doing film business, up to 20 percent higher on Oahu than on the mainland. On the Neighbor Islands, costs can be as much as 40 percent higher. The lack of film production courses at the University of Hawaii is another factor that has been identified as an obstacle to the industry's future growth. On the Neighbor Islands, film and television support equipment and services are lacking. As a consequence, producers working there must coordinate their activities with filming schedules on Oahu where the requisite equipment and desired services are located.

Perhaps the most discussed need of the industry is adequate studio facilities



# employment and jobs in hawaii

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **EMPLOYMENT** | | | | | |
| STATE: | | | | | |
| Civilian Labor Force | thous. | November | 479.6p | 0.5 | 0.8 |
| Employment | thous. | November | 452.6p | 0.4 | 0.9 |
| Unemployment | thous. | November | 27.0p | 2.5 | −0.7 |
| Unemployment Rate | percent | November | 5.6p | 1.8 | −1.8 |
| OAHU: | | | | | |
| Civilian Labor Force | thous. | November | 364.5p | 0.8 | 0.4 |
| Employment | thous. | November | 345.9p | 0.7 | 0.8 |
| Unemployment | thous. | November | 18.6p | 3.0 | −6.3 |
| Unemployment Rate | percent | November | 5.1p | 2.0 | −7.3 |
| MAUI COUNTY: | | | | | |
| Civilian Labor Force | thous. | November | 44.8p | −0.6 | 1.4 |
| Employment | thous. | November | 42.0p | −0.4 | 0.7 |
| Unemployment | thous. | November | 2.8p | −5.2 | 10.0 |
| Unemployment Rate | percent | November | 6.2p | −3.1 | 8.8 |
| HAWAII: | | | | | |
| Civilian Labor Force | thous. | November | 48.2p | −0.9 | 3.2 |
| Employment | thous. | November | 44.0p | −1.6 | 1.7 |
| Unemployment | thous. | November | 4.2p | 6.3 | 21.7 |
| Unemployment Rate | percent | November | 8.7p | 7.4 | 17.6 |
| KAUAI: | | | | | |
| Civilian Labor Force | thous. | November | 22.2p | 0.7 | 1.1 |
| Employment | thous. | November | 20.7p | 0.5 | 0.7 |
| Unemployment | thous. | November | 1.5p | 3.6 | 3.6 |
| Unemployment Rate | percent | November | 6.6p | 1.5 | 3.1 |
| **JOB COUNT BY INDUSTRY** | | | | | |
| TOTAL JOBS—STATE | thous. | November | 464.0p | 0.6 | 1.7 |
| SUGAR (Mill and Field) | thous. | November | 7.4p | −0.7 | 0.0 |
| PINEAPPLE (Cannery and Field) | thous. | November | 3.5p | −1.4 | −5.5 |
| DIVERSIFIED MANUFACTURING (Excluding Sugar and Pineapple) | thous. | November | 16.1p | 0.3 | 1.6 |
| Durable Goods | thous. | November | 3.2p | 0.0 | −3.1 |
| Non-Durable Goods | thous. | November | 12.9p | 0.4 | 2.8 |
| Apparel and Textiles | thous. | November | 3.1p | 0.0 | 6.9 |
| DIVERSIFIED AGRICULTURE (Excluding Sugar And Pineapple, but including Agricultural Self-Employed) | thous. | November | 7.9p | −7.6 | 0.0 |
| CONTRACT CONSTRUCTION | thous. | November | 18.5p | −0.5 | 28.6 |
| TRANSPORTATION | thous. | November | 23.2p | 0.4 | 3.6 |
| COMMUNICATION | thous. | November | 7.3p | 0.0 | −1.4 |
| UTILITIES | thous. | November | 2.4p | −2.0 | 0.0 |
| RETAIL TRADE | thous. | November | 94.4p | 0.5 | 0.7 |
| WHOLESALE TRADE | thous. | November | 19.2p | 1.1 | 1.9 |
| FINANCE, INSURANCE AND REAL ESTATE | thous. | November | 32.2p | 0.2 | 1.3 |
| HOTEL SERVICES—STATE | thous. | November | 28.8p | 1.4 | 0.9 |
| Oahu | thous. | November | 16.2p | 1.9 | 1.9 |
| Maui County | thous. | November | 6.5p | 1.6 | −1.5 |
| Hawaii | thous. | November | 3.9p | 1.3 | −1.3 |
| Kauai | thous. | November | 2.3p | 2.2 | 4.5 |
| OTHER SERVICES | thous. | November | 82.1p | 0.1 | 1.4 |
| FEDERAL GOVERNMENT | thous. | November | 32.8p | 0.6 | 1.2 |
| Civilian Agencies | thous. | November | 12.1p | 1.7 | 3.0 |
| Defense Department | thous. | November | 20.7p | 0.0 | 0.0 |
| STATE GOVERNMENT | thous. | November | 49.6p | 5.1 | 2.2 |
| COUNTY GOVERNMENT | thous. | November | 12.7p | 0.0 | −1.2 |
| NON-AGRICULTURE SELF-EMPLOYED | thous. | November | 26.2p | −1.3 | 0.4 |
| **UNEMPLOYMENT INSURANCE** | | | | | |
| INSURED UNEMPLOYMENT (Weekly Average) | number | November | 8,438 | −9.6 | −37.6 |
| INTRASTATE INITIAL CLAIMS | number | Jan.-Nov. | 62,007 | ..... | −9.1 |
| INTERSTATE INITIAL CLAIMS | number | Jan.-Nov. | 3,681 | ..... | −6.5 |
| UNEMPLOYMENT INSURANCE BENEFITS | thous. $ | Jan.-Nov. | 59,880 | ..... | −15.4 |

p = preliminary.

# public assistance in hawaii

| Series | Unit | Period | Number | Percent Change preceding period | Percent Change year ago |
|---|---|---|---|---|---|
| **PUBLIC ASSISTANCE** | | | | | |
| INCOME MAINTENANCE: | | | | | |
| Recipients[1] | no./persons | November | 57,230 | −0.4 | −4.9 |
| Payments | thous. $ | Jan.-Nov. | 89,462 | ..... | −4.7 |
| MEDICAL ASSISTANCE: | | | | | |
| Recipients[1] | no./patients | November | 48,130 | 6.2 | 0.5 |
| Payments | thous. $ | Jan.-Nov. | 154,074 | ..... | 10.4 |
| FOOD STAMPS: | | | | | |
| Recipients[1] | no./persons | October | 94,541 | −1.7 | −5.0 |
| Payments | thous. $ | Jan.-Oct. | 76,783 | ..... | 14.3 |
| SERVICES: | | | | | |
| Recipients[1] | no./cases | 3rd Qtr. | 7,695 | −1.2 | 11.5 |
| Payments | thous. $ | Yr. to 3rd Qtr. | 11,402 | ..... | 13.6 |

[1]Count of recipients is duplicated. A person may be counted in each category.

# banking and finance in hawaii

| | | | | | |
|---|---|---|---|---|---|
| **FINANCE** | | | | | |
| COMMERCIAL BANK DEPOSITS: | | | | | |
| STATE: | | | | | |
| Total Deposits | mil. $ | November | 7,213.5 | 0.9 | 12.8 |
| Debits To Demand Deposits | mil. $ | Jan.-Nov. | 86,213.1 | ..... | 2.6 |
| OAHU: | | | | | |
| Total Deposits | mil. $ | November | 6,006.7 | 1.0 | 13.6 |
| Debits To Demand Deposits | mil. $ | Jan.-Nov. | 78,416.7 | ..... | 2.0 |
| MAUI COUNTY: | | | | | |
| Total Deposits | mil. $ | November | 459.2 | 1.1 | 10.7 |
| Debits To Demand Deposits | mil. $ | Jan.-Nov. | 3,345.9 | ..... | 10.4 |
| HAWAII: | | | | | |
| Total Deposits | mil. $ | November | 500.3 | 0.8 | 7.8 |
| Debits To Demand Deposits | mil. $ | Jan.-Nov. | 3,167.5 | ..... | 7.7 |
| KAUAI: | | | | | |
| Total Deposits | mil. $ | November | 247.3 | −0.2 | 6.9 |
| Debits To Demand Deposits | mil. $ | Jan.-Nov. | 1,310.0 | ..... | 13.3 |
| BANK LOANS OUTSTANDING—STATE: | mil. $ | 3rd Qtr. | 4,472.6 | 1.6 | 12.7 |
| Real Estate | mil. $ | 3rd Qtr. | 1,816.2 | 3.0 | 10.5 |
| Consumer | mil. $ | 3rd Qtr. | 1,008.1 | 2.7 | 10.8 |
| Commercial & Industrial | mil. $ | 3rd Qtr. | 1,295.2 | −2.0 | 15.0 |
| Other | mil. $ | 3rd Qtr. | 353.1 | 5.0 | 21.7 |
| CONVENTIONAL HOME MORTGAGE RATES: HONOLULU | percent | November | 11.8 | 4.4 | −5.6 |
| SAVINGS & LOAN ASSOCIATIONS:[1] | | | | | |
| TOTAL DEPOSITS | mil. $ | October | 3,594.3 | .0 | −5.3 |
| TOTAL LOANS | mil. $ | October | 73.9 | −8.7 | NA |
| MORTGAGE LOANS | mil. $ | October | 59.9 | −11.4 | 60.6 |
| TAX COLLECTIONS:[2] | | | | | |
| STATE | thous. $ | Jan.-Nov. | 1,356,528 | ..... | 6.8 |
| Oahu | thous. $ | Jan.-Nov. | 1,176,229 | ..... | 6.1 |
| Maui County | thous. $ | Jan.-Nov. | 77,420 | ..... | 10.9 |
| Hawaii | thous. $ | Jan.-Nov. | 72,707 | ..... | 8.8 |
| Kauai | thous. $ | Jan.-Nov. | 30,170 | ..... | 19.2 |

[1]Includes Hawaii and Guam. Reporting categories changed in July, 1985.
[2]Taxes collected by the State Department of Taxation. Excludes property taxes which were formerly collected by the State but are now collected by the Counties.

on Oahu, on the Neighbor Islands, or on both. Reportedly, the only professional quality film and sound studio in the state is near Ft. Ruger on Oahu, and it is currently in use for "Magnum P.I." The show's lease on that property is due to expire next year. Officials of Aloha Studios determined that a free-standing studio would not be economically viable, so they proposed building a studio complex at the old Primo Brewery site in Aiea, complete with sound stages and post-production facilities appropriate for both big and small film productions. A visitor center would also be constructed to draw from the millions of visitors who tour the Arizona Memorial nearby. The company acquired the lease on the property last year, but financing problems recently have stymied the project.

The Department of Planning and Economic Development (DPED) is requesting $3.5 million from the 1986 Legislature to develop an Oahu film facility, possibly in Kaneohe or Hawaii Kai. The proposal is to be fleshed out in the results of a $100,000 DPED study commissioned last year, to determine the feasibility and physical requirements of a movie studio. If constructed, the studio could be operated as a joint venture between the state government and a private entity.

A film studio would be an important asset for productions such as a TV series. A local, professional quality film processing laboratory would also be of interest to feature film producers who need such services to develop and review each day's filming. Currently, the film has to be sent to mainland labs at considerable expense and delay.

With the need for economic diversification at the top of Hawaii's public agenda, current proposals aimed at supporting this glamorous and non-polluting industry are likely to receive special attention. With both public and private film and television industry promotional agencies in place, Hawaii stands a better chance of getting its share of production work in this extremely competitive market.

If the public and private sectors can continue to work cooperatively and succeed in resolving the permit, promotional, and facility hurdles that remain, Hawaii may eventually gain millions of more dollars and thousands of new jobs in its economy from this flourishing and promising industry. Just as important, in the growth and developmental process of the industry, Hawaii may find a model business-governmental partnership that can and should be emulated as we address other important economic issues.

# ECONOMIC INDICATORS

A Bimonthly Report on Current Economic Conditions in Hawaii
by the Research Department, First Hawaiian Bank

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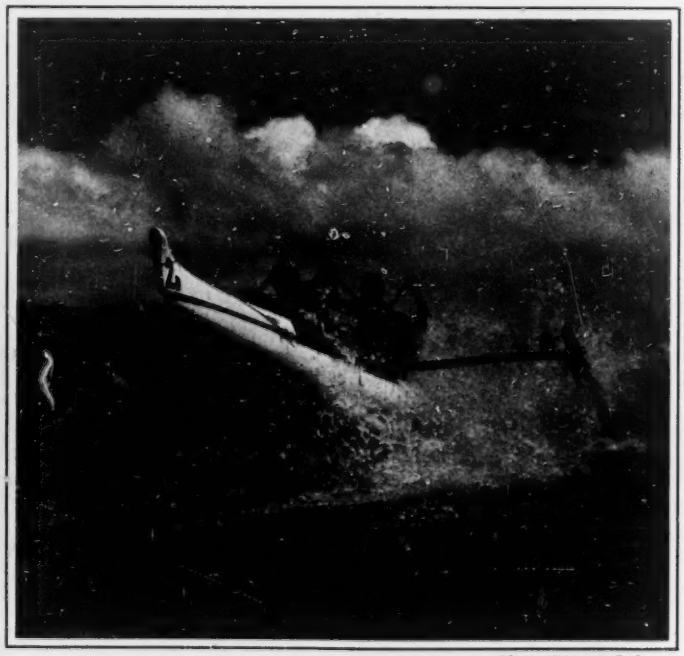

*Photo: Warren Bolster*

**Helping to build
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